APPENDIX G.
2004 Allocation Plan

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2004 Allocation Plans

This appendix presents the FY2004 allocation plans for the Indiana Department of Commerce – administrator of the CDBG grant program; the Indiana Housing Finance Authority – administrator of HOME funding and HOPWA funding; and the Family and Social Services Administration – administrator of the ESG program.

CDBG Allocation Plan

STATE OF INDIANA

STATE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM (CFDA: 14-228)

INDIANA DEPARTMENT OF COMMERCE

FY 2004 PROGRAM DESIGN AND METHOD OF DISTRIBUTION

GENERAL BACKGROUND INFORMATION AND NATIONAL CDBG OBJECTIVES

The State of Indiana, through the Indiana Department of Commerce, assumed administrative responsibility for Indiana's Small Cities Community Development Block Grant (CDBG) Program in 1982, under the auspices of the U.S. Department of Housing and Urban Development (HUD). In accordance with 570.485(a) and 24 CFR Part 91, the State must submit a Consolidated Plan Update to HUD by May 15th of each year following an appropriate citizen participation process pursuant to 24 CFR Part 91.325, which prescribes the State's Consolidated Plan Update process as well as the proposed method of distribution of CDBG funds for 2004. **The State of Indiana's anticipated allocation of federal Community Development Block Grant (CDBG) funds for FY 2004 is $36,847,940.**

This document applies to all federal Small Cities CDBG funds allocated by HUD to the State of Indiana, through its Department of Commerce. **During FY 2004, the State of Indiana does not propose to pledge a portion of its present and future allocation(s) of Small Cities CDBG funds as security for Section 108 loan guarantees provided for under Subpart M of 24 CFR Part 570 (24 CFR 570.700).**

The primary objective of Indiana's Small Cities CDBG Program is to assist in the development and re-development of viable Indiana communities by using CDBG funds to provide a suitable living environment and expand economic opportunities, principally for low and moderate income persons.

Indiana's program will place emphasis on making Indiana communities a better place in which to reside, work, and recreate. Primary attention will be given to activities, which promote long term community development and create an environment conducive to new or expanded employment opportunities for low and moderate income persons.

Activities and projects funded by the Department of Commerce must be eligible for CDBG assistance pursuant to 24 CFR 570, et. seq., and meet one of the three (3) national objectives prescribed under the Federal Housing and Community Development Act, as amended (Federal Act). To fulfill a national CDBG objective a project must meet one (1) of the following requirements pursuant to Section 104 (b)(3) of the Federal Act, and 24 CFR 570.483, et seq., and must be satisfactorily documented by the recipient:

1. Principally benefit persons of low and moderate income families; or,
2. Aid in the prevention or elimination of slums and blight; or,
3. Undertake activities, which have urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where no other financial resources are available to meet such needs.

In implementing its FY 2004 CDBG Consolidated Plan Update, the Indiana Department of Commerce will pursue the following goals respective to the use and distribution of FY 2004 CDBG funds:

GOAL 1: Invest in the needs of Indiana's low and moderate income citizens in the following areas:

a. Safe, sanitary and suitable housing

b. Child care
c. Health services
d. Homelessness
e. Job creation, retention and training
f. Self-sufficiency for special needs groups
g. Senior lifestyles

The Department of Commerce will pursue this goal of **investing in the needs of Indiana's low and moderate income citizens** and all applicable strategic priorities by distributing CDBG funds in a manner which promotes suitable housing, viable communities and economic opportunities.

GOAL 2: Invest in the needs of Indiana's communities in the following areas:

a. Housing preservation, creation and supply of suitable rental housing
b. Neighborhood revitalization
c. Public infrastructure improvements
d. Provision of clean water and public solid waste disposal
e. Special needs of limited-clientele groups
f. Assist local communities with local economic development projects, which will result in the attraction, expansion and retention of employment opportunities for low and moderate income persons

The Department of Commerce will pursue this goal of investing in the needs of Indiana's communities and all applicable strategic priorities by distributing CDBG funds in a manner which promotes suitable housing, preservation of neighborhoods, provision and improvements of local public infrastructure and programs which assist persons with special needs. The Department of Commerce will also pursue this goal by making CDBG funds available to projects, which will expand and/or retain employment opportunities for low and moderate income persons.

GOAL 3: Invest CDBG funds wisely and in a manner which leverages all tangible and intangible resources:

a. Leverage CDBG funds with all available federal, state and local financial and personal resources
b. Invest in the provision of technical assistance to CDBG applicants and local capacity building
c. Seek citizen input on investment of CDBG funds
d. Coordination of resources (federal, state and local)
e. Promote participation of minority business enterprises (MBE) and women business enterprises (WBE)
f. Use performance measures and continued monitoring activities in making funding decisions

The Department of Commerce will pursue this goal of **investing CDBG wisely** and all applicable strategic priorities by distributing CDBG funds in a manner, which promotes exploration of all alternative resources (financial and personal) when making funding decisions respective to applications for CDBG funding.

PROGRAM AMENDMENTS

The Indiana Department of Commerce reserves the right to transfer up to ten percent (10%) of each fiscal year's available allocation of CDBG funds (i.e. FY 2004 as well as prior-years' reversions balances) between the programs described herein in order to optimize the use and timeliness of distribution and expenditure of CDBG funds, without formal amendment of this Consolidated Plan Update.

The Department of Commerce will provide citizens and general units of local government with reasonable notice of, and opportunity to comment on, any substantial change proposed to be made in the use of FY 2004 CDBG as well as reversions and residual available balances of prior-years' CDBG funds. "Substantial Change" shall mean the movement between programs of more than ten percent (10%) of the total allocation for a given fiscal year's CDBG funding allocation, or a major modification to programs described herein. The Department of Commerce, in consultation with the Indianapolis office of the US Department of Housing and Urban Development (HUD), will determine those actions, which may constitute a “substantial change”.

The State (IDOC) will formally amend its FY 2004 Consolidated Plan Update if the Department of Commerce’s **Method of Distribution for FY 2004 and prior-years funds** prescribed herein is to be significantly changed. The IDOC will determine the necessary changes, prepare the proposed amendment, provide the public and units of general local government with reasonable notice and opportunity to comment on the proposed amendment, consider the comments received, and make the amended FY 2004 Consolidated Plan Update available to the public at the time it is submitted to HUD. In addition, the Department of Commerce will submit to HUD the amended Consolidated Plan Update before the Department implements any changes embodied in such program amendment.

ELIGIBLE ACTIVITIES/FUNDABILITY

All activities, which are eligible for federal CDBG funding under Section 105 of the Federal Housing and Community Development Act of 1974, as, amended (Federal Act), are eligible for funding under the Indiana Department of Commerce’s FY 2004 CDBG program. However, the Indiana Department of Commerce reserves the right to prioritize its method of funding; the Department of Commerce prefers to expend federal CDBG funds on activities/projects which will produce tangible results for principally low and moderate income persons in Indiana. Funding decisions will be made using criteria and rating systems, which are used for the State's programs and are subject to the availability of funds. It shall be the policy under the state program to give priority to using CDBG funds to pay for actual project costs and not to local administrative costs. **The State of Indiana certifies that not less than seventy-percent (70%) of FY 2004 CDBG funds will be expended for activities principally benefiting low and moderate income persons, as prescribed by 24 CFR 570.484, et. seq.**

ELIGIBLE APPLICANTS

1. All Indiana counties, cities and incorporated towns which do not receive CDBG entitlement funding directly from HUD or are not located in an "urban county" or other area eligible for "entitlement" funding from HUD.

2. All Indian tribes meeting the criteria set forth in Section 102 (a)(17) of the Federal Act.

In order to be eligible for CDBG funding, applicants may not be suspended from participation in the HUD-funded CDBG Programs or the Indiana Department of Commerce due to findings/irregularities with previous CDBG grants or other reasons. In addition, applicants may not be suspended from participation in the state CDBG-funded projects administered by the Indiana Housing Finance Authority (IHFA), such funds being subcontracted to the IHFA by the Department of Commerce.

Further, in order to be eligible for CDBG funding, applicants may not have overdue reports, overdue responses to monitoring issues, or overdue grant closeout documents for projects funded by either the Department of Commerce or IHFA projects funded using state CDBG funds allocated to the IHFA by the Department of Commerce. All applicants for CDBG funding must fully expend all CDBG Program Income as defined in 24 CFR 570.489(e) prior to, or as a part of the proposed CDBG-assisted project, in order to be eligible for further CDBG funding from the State. This requirement shall not apply to principal and interest balances within a local CDBG Revolving Loan Fund approved by the Department of Commerce pursuant to 24 CFR 570.489.

Other specific eligibility criteria are outlined in **General Selection Criteria** provided herein.

FY 2004 FUND DISTRIBUTION

Sources of Funds:

FY 2004 CDBG Allocation		$ 36,847,940
CDBG Program Income(a)		0
	Total:	$ 36,847,940

Uses of Funds:

1. Community Focus Fund (CFF)		$ 23,642,503
2. Housing Program		5,000,000
3. Community Economic Development Fund		4,000,000
4. Quick Response Fund		0
5. Brownfield Initiative		1,400,000
6. Technical Assistance Fund		368,479
7. Planning Fund		1,600,000
8. Administration		836,958
	Total:	$ 36,847,940

(a) The State of Indiana (Department of Commerce) does not project receipt of any CDBG program income for the period covered by this FY 2004 Consolidated Plan Update. In the event the Department of Commerce receives such CDBG Program Income, such moneys will be placed in the Community Focus Fund for the purpose of making additional competitive grants under that program. Reversions of other years' funding will be placed in the Community Focus Fund for the specific year of funding reverted. The State will allocate and expend all CDBG Program Income funds received prior to drawing additional CDBG funds from the US Treasury. However, the following exceptions shall apply:

1. This prior-use policy shall not apply to housing-related grants made to applicants by the Indiana Housing Finance Authority (IHFA), a separate agency, using CDBG funds allocated to the IHFA by the Department of Commerce.

2. CDBG program income funds contained in a duly established local Revolving Loan Fund(s) for economic development or housing rehabilitation loans which have been formally approved by the Department of Commerce. However, all local revolving loan funds must be "revolving" and cannot possess a balance of more than $50,000 at the time of application of additional CDBG funds.

3. Program income generated by CDBG grants awarded by the Department of Commerce (State) using FY 2004 CDBG funds must be returned to the Department of Commerce, however, such amounts of less than $25,000 per calendar year shall be excluded from the definition of CDBG Program Income pursuant to 24 CFR 570.489.

All obligations of CDBG program income to projects/activities, except locally-administered revolving loan funds approved by the Department of Commerce, require prior approval by the Department of Commerce. This includes use of program income as matching funds for CDBG-funded grants from the IHFA. Applicable parties should contact the Grants Management Section of the Controller's Office of the Indiana Department of Commerce at (317) 232-8333 for application instructions and documents for use of program income prior to obligation of such funds.

Furthermore, U.S. Department of Treasury regulations require that CDBG program income cash balances on hand be expended on any active CDBG grant being administered by a grantee before additional federal CDBG funds are requested from the Department of Commerce. These US Treasury regulations apply to projects funded both by IHFA and the Department of Commerce. Eligible applicants with CDBG program income should strive to close out all active grant projects presently being administered before seeking additional CDBG assistance from the Department of Commerce or IHFA.

Eligible applicants with CDBG program income should contact the Grants Management Section of the Controller's Office of the Department of Commerce at (317) 232-8333 for clarification before submitting an application for CDBG financial assistance.

METHOD OF DISTRIBUTION

The choice of activities on which the State (Department of Commerce) CDBG funds are expended represents a determination by Department of Commerce and eligible units of general local government, developed in accordance with the Department's CDBG program design and procedures prescribed herein. The eligible activities enumerated in the following Method of Distribution are eligible CDBG activities as provided for under Section 105(a) of the Federal Act, as amended.

All projects/activities funded by the State (Department of Commerce) will be made on a basis which addresses one (1) of the three (3) national objectives of the Small Cities CDBG Program as prescribed under Section 104(b)(3) of the Federal Act and 24 CFR 570.483 of implementing regulations promulgated by HUD. CDBG funds will be distributed according to the following Method of Distribution (program descriptions):

A. Community Focus Fund (CFF): $23,642,503

The Department Commerce will award community Focus Fund (CFF) grants to eligible applicants to assist Indiana communities in the areas of public facilities, housing-related infrastructure, and all other eligible community development needs/projects. Applications for economic development activities may not be appropriate for the CFF Program. Applications for funding, which are applicable to local economic development and/or job-related training projects, should be pursued under the Department of Commerce's Community Economic Development Fund (CEDF). Projects eligible for consideration under the CEDF program under this Method of Distribution shall generally not be eligible for consideration under the CFF Program. Eligible activities include applicable activities listed under Section 105(a) of the Federal Act. Typical Community Focus Fund (CFF) projects include, but are not limited to:

1. Local infrastructure improvements (i.e. water, sewer, street and related improvements);
2. Construction of other public facilities (i.e. day-care centers, senior centers, etc.);
3. Commercial rehabilitation and downtown revitalization projects; and,
4. Special purpose facilities for "limited clientele" populations;

Applications will be accepted and awards will be made on a competitive basis two (2) times a year. Approximately one-half of available CFF funds shall be budgeted for each funding round and awards will be scored competitively based upon the following criteria (total possible numerical score of 1,000 points):

1. Economic and Demographic Characteristics: 450 Points - Variable by Each Application:

   a. Benefit to low and moderate income persons: 200 points
   b. Community distress factors: 250 points

2. Project Design Factors: 450 Points - Variable by Each Application:

   a. Financial impact
   b. Project need
   c. Local effort

3. Local Match Contribution: 100 Points - Variable by Each Application

The specific threshold criteria and basis for project point awards for CFF grant awards are provided in attachments hereto. The Community Focus Fund (CFF) Program shall have a maximum grant amount of $500,000 for each project and each applicant may apply for only one project in a grant cycle. The only exception to this $500,000 limit will be for those CFF applicants who apply for the Department of Commerce's Minority Business Enterprise (MBE) Utilization Program. Under this program, the Department of Commerce will allocate an additional amount of CDBG-CFF grant funds to those applicants who apply for participation in the MBE program and who are awarded CFF grants. The maximum additional allocation to the CFF grant amount will be five-percent (5%) of the total amount of CDBG allocated to each CFF budget line item to be considered participatory for such MBE utilization, limited to $25,000 ($500,000 X 0.05 = $25,000).

Projects will be funded in two (2) cycles each year with approximately a six (6) month pre-application and final-application process. Projects will compete for CFF funding and be judged and ranked according to a standard rating system (Attachment D). The highest ranking projects will be funded to the extent of funding available for each specific CFF funding cycle/round. The Department of Commerce will provide eligible applicants with adequate notice of deadlines for submission of CFF proposal (pre-application) and full applications. Specific threshold criteria and point awards are explained in Attachments C and D to this Consolidated Plan Update.

For the CFF Program specifically, the amount of CDBG funds granted will be based on a reasonable cost per project beneficiary, except for housing-related projects (e.g. infrastructure in support of housing) where the grant amount per beneficiary ratio will not exceed $10,000 per beneficiary.

B. Housing Program: $5,000,000

The State (Department of Commerce) has contracted with the Indiana Housing Finance Authority (IHFA) to administer funds allocated to the State's Housing Program. The Indiana Housing Finance Authority will act as the administrative agent on behalf of the Indiana Department of Commerce. Please refer to the Indiana Housing Finance Authority's portion of this FY 2004 Consolidated Plan Update for the method of distribution of such subcontracted CDBG funds from the Department of Commerce to the IHFA.

C. Community Economic Development Fund/Program: $4,000,000

The Community Economic Development Fund (CEDF) will be available through the Development Finance Division of the Indiana Department of Commerce. This fund will provide funding for various eligible economic development activities pursuant to 24 CFR 507.203. The CEDF Program will have a sub-program entitled the Industrial Development Infrastructure Program (IDIP), hereunder the Department of Commerce will give priority for CEDF-IDIP funding to construction of off-site and on-site infrastructure projects in support of low and moderate income employment opportunities.

Eligible CEDF activities will include any eligible activity under 24 CFR 570.203, to include the following:

1. Construction of infrastructure (public and private) in support of economic development projects;
2. Loans or grants by applicants for the purchase of manufacturing equipment;
3. Loans or grants by applicants for the purchase of real property and structures (includes vacant structures);
4. Loans or grants by applicants for the rehabilitation of facilities (vacant or occupied);
5. Loans or grants by applicants for the purchase and installation of pollution control equipment;
6. Loans or grants by applicants for the mitigation of environmental problems via capital asset purchases;

Eligible CEDF activities will also include grants to applicants for job-training costs for low and moderate income persons as a limited clientele activity under 24 CFR 570.483(b)(2)(v), as well financial assistance to eligible entities to carry out economic development activities authorized under Section 105(a) of the Housing and Community Development Act of 1974, as amended.

Projects/applications will be evaluated using the following criteria:

1. The importance of the project to Indiana's economic development goals;
2. The number and quality of new jobs to be created;
3. The economic needs of the affected community;
4. The economic feasibility of the project and the financial need of the affected for-profit firm, or not-for-profit corporation; the availability of private resources;
5. The level of private sector investment in the project.

Grant applications will be accepted and awards made until funding is no longer available. The intent of the program is to provide necessary public improvements and/or job training for an economic development project to encourage the creation of new jobs. In some instances, the Department of Commerce may determine that the needed facilities/improvements may also benefit the project area as a whole (i.e. certain water, sewer, and other public facilities improvements), in which case the applicant will be required to also meet the "area basis" criteria for funding under the Federal Act.

1. Beneficiaries and Job Creation/Retention Assessment:

The assistance must be reasonable in relation to the expected number of jobs to be created or retained by the benefiting business(es) within 12 months following the date of substantial completion of project construction activities. Before CDBG assistance will be provided for such an activity, the applicant unit of general local government must develop an assessment, which identifies the businesses located or expected to locate in the area to be served by the improvement. The assessment must include for each identified business a projection of the number of jobs to be created or retained as a result of the public improvements.

2. Public Benefit Standards:

The Department of Commerce will conform to the provisions of 24 CFR 570.482(f) for purposes of determining standards for public benefit and meeting the national objective of low and moderate income job creation or retention will be all jobs created or retained as a result of the public improvement, financial assistance, and/or job training by the business(es) identified in the job creation/retention assessment in 1 above. The investment of CDBG funds in any economic development project shall not exceed an amount of $35,000 per job created; at least fifty-one percent (51%) of all such jobs, during the project period, shall be given to, or made available to, low and moderate income persons.

Projects will be evaluated on the amount of private investment to be made, the number of jobs for low and moderate income persons to be created or retained, the cost of the public improvement and/or job training to be provided, the ability of the community (and, if appropriate, the assisted company) to contribute to the costs of the project, and the relative economic distress of the community. Actual grant amounts are negotiated on a case by case basis and the amount of assistance will be dependent upon the number of new full-time permanent jobs to be created and other factors described above. Construction and other temporary jobs may not be included. Part-time jobs are ineligible in the calculating equivalents. Grants made on the basis of job retention will require documentation that the jobs will be lost without such CDBG assistance and a minimum of fifty-one percent (51%) of the beneficiaries are of low and moderate income.

Pursuant to Section 105(e)(2) of the Federal Act as amended, and 24 CFR 570.209 of related HUD regulations, CDBG-CEDF funds allocated for direct grants or loans to for-profit enterprises must meet the following tests, (1) project costs must be reasonable, (2) to the extent practicable, reasonable financial support has been committed for project activities from non-federal sources prior to disbursement of federal CDBG funds, (3) any grant amounts provided for project activities do not substantially reduce the amount of non-federal financial support for the project, (4) project activities are determined to be financially feasible, (5) project-related return on investment are determined to be reasonable under current market conditions, and, (6) disbursement of CDBG funds on the project will be on an appropriate level relative to other sources and amounts of project funding.

A need (financial gap), which is not directly available through other means of private financing, should be documented in order to qualify for such assistance; the Department of Commerce will verify this need (financial gap) based upon historical and/or pro-forma projected financial information provided by the for-profit company to be assisted. Applications for loans based upon job retention must document that such jobs would be lost without CDBG assistance and a minimum of fifty-one percent (51%) of beneficiaries are of low-and-moderate income, or the recipient for-profit entity agrees that for all new hires, at least 51% of such employment opportunities will be given to, or made available to, persons of low and moderate income. All such job retention/hiring performance must be documented by the applicant/grantee, and the DOC reserves the right to track job levels for an additional two (2) years after administrative closeout.

D. Brownfields Initiative: $1,400,000

The Department of Commerce will set aside $1,400,000 of its FY 2004 CDBG funds for a brownfields initiative. The Department of Commerce will make grants to units of local government to carry out various activities eligible under 24 CFR 507.291-203, in order to facilitate the redevelopment of brownfield properties. The Department will award such grants on a competitive basis. The Department's Community Development Division will coordinate this initiative.

E. The Quick Response Fund: $0

The Quick Response Fund will be available to eligible applicants on a continuing basis. These activities must be eligible for funding under the "urgent need" national objective of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations.

The Quick Response Fund program will be available to eligible applicants to meet an imminent threat to the health and safety of local populations. The grants may be funded as made available through Focus Fund or reversions when not budgeted from the annual allocation. Special selection factors include need, proof of recent threat of a catastrophic nature, statement of declared emergency and inability to fund through other means. Projects will be developed with the assistance of the Community Development Division as a particular need arises. To be eligible, these projects and their activities must meet the "urgent need" national objective of Section 104(b)(3) of the Federal Act. Generally, projects funded are those, which need immediate attention and are, therefore, inappropriate for consideration under the Community Focus Fund. The types of projects, which typically receive funding, are municipal water systems (where the supply of potable water has been threatened by severe weather conditions) and assistance with demolition or cleanup after a major fire, flood, or other natural disaster. Although all projects will be required to meet the "urgent need" national objective, the Department of Commerce may choose to actually fund the project under one of the other two national objectives, if it deems it expedient to do so. Applicants must adequately document that other financial resources are not available to meet such needs pursuant to Section 104(b)(3) of the Federal Act and 24 CFR 570.483 of HUD regulations.

Only that portion of a project, which addresses an immediate need, should be addressed. This is particularly true of municipal water or sewer system projects, which tend to need major reinvestment in existing plants or facilities, in addition to the correction of the immediate need. The amount of grant award is determined by the individual circumstances surrounding the request for emergency funds. A community may be required to provide a match through cash, debt or provision of employee labor.

The Quick Response Fund will also be available to eligible activities, which meet the "benefit to low and moderate income" or "prevention and elimination of slums and blight" goals of the Federal Act. The community must demonstrate that the situation requires immediate attention (i.e., that participation in CFF program would not be a feasible funding alternative or poses an immediate or imminent threat to the health or welfare of the community) and that the situation is not the result of negligence on the part of the community. Communities must be able to demonstrate that reasonable efforts have been made to provide or obtain financing from other resources and that such efforts where unsuccessful, unwieldy or inadequate. Alternatively, communities must be able to demonstrate that an opportunity to complete a project of significant importance to the community would be lost if required to adhere to the timetables of competitive programs.

F. Technical Assistance: $368,479

Pursuant to the federal Housing and Community Development Act (Federal Act), specifically Section 106(d)(5), the State of Indiana is authorized to set aside up to one percent (1%) of its total allocation for technical assistance activities. The amount set aside for such Technical Assistance in the State's FY 2004 Consolidated Plan Update is $368,479, which constitutes one-percent (1%) of the State's FY 2004 CDBG allocation of $36,847,940. The State of Indiana reserves the right to set aside up to one percent (1%) of open prior-year funding amounts for the costs of providing technical assistance on an as-needed basis.

The amount set aside for the Technical Assistance Program will not be considered a planning cost as defined under Section 105(a)(12) of the Federal Act or an administrative cost as defined under Section 105(a)(13) of the Federal Act. Accordingly, such amounts set aside for Technical Assistance will not require matching funds by the State of Indiana. The Department reserves the right to transfer a portion or all of the funding set aside for Technical Assistance to another program hereunder as deemed appropriate by the Department of Commerce, in accordance with the "Program Amendments" provisions of this document. The Technical Assistance Program is designed to provide, through direct Department of Commerce staff resources or by contract, training and technical assistance to units of general local government, nonprofit and for-profit entities relative to community and economic development initiatives, activities and associated project management requirements.

1. **Distribution of the Technical Assistance Program Setaside:** Pursuant to HUD regulations and policy memoranda, the Department of Commerce may use alternative methodologies for delivering technical assistance to units of local government and nonprofits to carry out eligible activities, to include:

    a. Provide the technical assistance directly with Department of Commerce or other State staff;
    b. Hire a contractor to provide assistance;
    c.. Use subrecipients such as Regional Planning Organizations as providers or securers of the assistance;
    d. Directly allocate the funds to non-profits and units of general local governments to secure/contract for technical assistance.
    e. Pay for tuition, training, and/or travel fees for specific trainees from units of general local governments and nonprofits;
    f. Transfer funds to another state agency for the provision of technical assistance; and,
    g. Contracts with state-funded institutions of higher education to provide the assistance.

2. **Ineligible Uses of the Technical Assistance Program Setaside:** The 1% setaside may not be used by the Department of Commerce for the following activities:

    a. Local administrative expenses not related to community development;
    b. Any activity that can not be documented as meeting a technical assistance need;
    c. General administrative activities of the State not relating to technical assistance, such as monitoring state grantees, rating and ranking State applications for CDBG assistance, and drawing funds from the Department of Commerce; or,
    d. Activities that are meant to train State staff to perform state administrative functions, rather than to train units of general local governments and non-profits.

G. Planning Fund: $ 1,600,000

The State (Department of Commerce) will set aside $1,600,000 of its FY 2004 CDBG funds for planning-only activities, which are of a project-specific nature. The Department of Commerce will make planning-only grants to units of local government to carry out planning activities eligible under 24 CFR 570.205 of applicable HUD regulations. The Department will award such grants on a competitive basis and grant the Department's Community Development Division will review applications monthly. The Department will give priority to project-specific applications having planning activities designed to assist the applicable unit of local government in meeting its community development needs by reviewing all possible sources of funding, not simply the Department's Community Focus Fund or Community Economic Development Fund.

CDBG-funded planning costs will exclude final engineering and design costs related to a specific activity which are eligible activities/costs under 24 CFR 570.201-204.

G. Administrative Funds Setaside: $ 836,958

The State (Department of Commerce) will set aside $836,958 of its FY 2004 CDBG funds for payment of costs associated with administering its State Community Development Block Grant (CDBG) Program (CFDA Number 14.228). This amount ($836,958) constitutes two-percent (2%) of the State's FY 2004 CDBG allocation

($736,958), plus an amount of $100,000 ($36,847,940 X 0.02 = $736,958 + $100,000 = $836,958). The amount constituted by the 2% setaside ($736,958) is subject to the $1-for-$1 matching requirement of HUD regulations. The $100,000 supplement is not subject to state match. These funds will be used by the Department of Commerce for expenses associated with administering its State CDBG Program, including direct personal services and fringe benefits of applicable Department of Commerce staff, as well as direct and indirect expenses incurred in the proper administration of the state's program and monitoring activities respective to CDBG grants awarded to units of local government (i.e. telephone, travel, services contractual, etc.). These administrative funds will also be used to pay for contractors hired to assist the Department of Commerce in its consolidated planning activities.

PRIOR YEARS' METHODS OF DISTRIBUTION

This Consolidated Plan, statement of Method of Distribution is intended to amend all prior Consolidated Plans for grant years where funds are still available to reflect the new program designs. The Methods of Distribution described in this document will be in effect commencing on June 1, 2004, and ending May 31, 2004, unless subsequently amended, for all FY 2004 CDBG funds as well as remaining residual balances of previous years' funding allocations, as may be amended from time to time subject to the provisions governing "Program Amendments" herein. The existing and amended program budgets for each year are outlined below (administrative fund allocations have not changed and are not shown below). Adjustments in the actual dollars may occur as additional reversions become available.

At this time there are only nominal funds available for reprogramming for prior years' funds. If such funds should become available, they will be placed in the CFF Fund. This will include reversions from settlement of completed grantee projects., there are no fund changes anticipated. For prior years' allocations there are no fund changes anticipated. Non-expended funds, which revert from the financial settlement of projects funded from other programs, will be placed in the Community Focus Fund (CFF).

PROGRAM APPLICATION

The Community Economic Development Fund Program (CEDF), Quick Response Program (QR), and Planning Fund/Program (PL) will be conducted through a single-stage, continuous application process throughout the program year. The application process for the Community Focus Fund (CFF) will be divided into two stages. Eligible applicants will first submit a short program proposal for such grants. Proposers with projects eligible under the Federal Act will be invited to submit a full application. For each program, the full application will be reviewed and evaluated. The IDOC's Community Development Division and Development Finance Division, as applicable, will provide technical assistance to the communities in the development of proposals and full applications.

An eligible applicant may submit only one Community Focus Fund (CFF) application per cycle. Additional applications may be submitted under the other state programs. The Department of Commerce reserves the right to negotiate Planning-Only grants with CFF applicants for applications lacking a credible readiness to proceed on the project or having other planning needs to support a CFF project.

OTHER REQUIREMENTS

While administrative responsibility for the Small Cities CDBG program has been assumed by the State of Indiana, the State is still bound by the statutory requirements of the applicable legislation passed by Congress, as well as federal regulations promulgated by the U. S. Department of Housing and Urban Development (HUD) respective to the State's CDBG program as codified under Title 24, Code of the Federal Register. HUD has passed on these responsibilities and requirements to the State and the State is required to provide adequate evidence to HUD that it is carrying out its legal responsibilities under these statutes.

As a result of the Federal Act, applicants who receive funds through the Indiana Department of Commerce selection process will be required to maintain a plan for minimizing displacement of persons as a result of activities assisted with CDBG funds and to assist persons actually displaced as a result of such activities. Applicants are required to provide reasonable benefits to any person involuntarily and permanently displaced as a result of the use of assistance under this program to acquire or substantially rehabilitate property. The State has adopted standards for determining reasonable relocation benefits in accordance with HUD regulations.

CDBG "Program Income" may be generated as a result of grant implementation. The State of Indiana may enter into an agreement with the grantee in which program income is retained by the grantee for eligible activities. Federal guidelines require that program income be spent prior to requesting additional draw downs. Expenditure of such funds requires prior approval from the Department of Commerce (IDOC). The State (Department of Commerce) will follow HUD regulations set forth under 24 CFR 570.489(e) respective to the definition and expenditure of CDBG Program Income.

All statutory requirements will become the responsibility of the recipient as part of the terms and conditions of grant award. Assurances relative to specific statutory requirements will be required as part of the application package and funding agreement. Grant recipients will be required to secure and retain certain information, provide reports and document actions as a condition to receiving funds from the program. Grant management techniques and program requirements are explained in the IDOC's CDBG Grantee Implementation Manual, which is provided to each grant recipient.

Revisions to the Federal Act have mandated additional citizen participation requirements for the State and its grantees. The State has adopted a written Citizen Participation Plan, which is available for interested citizens to review. Applicants must certify to the State that they are following a detailed Citizen Participation Plan which meets Title I requirements. Technical assistance will be provided by the Department of Commerce to assist program applicants in meeting citizen participation requirements.

The State has required each applicant for CDBG funds to certify that it has identified its housing and community development needs, including those of low and moderate income persons and the activities to be undertaken to meet those needs.

INDIANA DEPARTMENT OF COMMERCE (IDOC)

The Indiana Department of Commerce intends to provide the maximum technical assistance possible for all of the programs to be funded from the CDBG program. Lieutenant Governor Katherine L. Davis heads the Department of Commerce. Principal responsibility within the IDOC for the CDBG program is vested in the Executive Director, Timothy J. Monger. The Manager of Finance and Administration of the Department of Commerce (Kelly Boe) has the responsibility of administering compliance activities respective to CDBG grants awarded to units of local government by the IDOC's Development Finance and Community Development Divisions.

Primary responsibility for providing "outreach" and technical assistance for the Community Focus Fund and Planning Fund process resides with the Community Development Division, and IDOC's Regional Offices. Primary responsibility for providing "outreach" and technical assistance for the Community Economic Development Program and award process resides with the Development Finance Division. Primary responsibility for providing "outreach" and technical assistance for the Housing award process resides with the Indiana Housing Finance Authority who will act as the administrative agent on behalf of the Indiana Department of Commerce.

The Controller's Office will also provide internal fiscal support services for program activities. The Grants Management Section of the Controller's Office has overall responsibilities for CDBG program management, compliance and financial monitoring of all CDBG programs. The Indiana State Board of Accounts pursuant to the federal Office of Management and Budget Circular A-133 will conduct audits. Potential applicants should contact the Department of Commerce with any questions or inquiries they may have concerning these or any other programs operated by the Department.

Information regarding the past use of CDBG funds is available at the:

Indiana Department of Commerce

Community Development Division
One North Capitol, Suite 700
Indianapolis, Indiana 46204-2288
Attention: Kelly Boe, Manager of Finance and Administration
Telephone: (317) 232-8831
FAX: (317) 233-6503

For technical assistance with the Community Focus Fund or Planning Fund, contact the respective IDOC Regional Office where your project is located:

Region 1: *219-787-6997*

Jasper, Lake, Newton, Porter

Region 2: *574-288-6836*

Elkhart, Fulton, Kosciusko, LaGrange, LaPorte, Marshall, Pulaski, St. Joseph, Starke

Region 3: *260-426-8802*

Adams, Allen, DeKalb, Huntington, Noble, Steuben, Wells, Whitely

Region 4: *765-868-8167*

Cass, Grant, Howard, Miami, Tipton, Wabash

Region 5: *765-775-2125*

Benton, Carroll, Clinton, Tippecanoe, Warren, White

Region 6: *812-237-8800*

Clay, Fountain, Montgomery, Parke, Putnam, Sullivan, Vermillion, Vigo

Region 7: *317-234-2081*

Boone, Hamilton, Hancock, Hendricks, Johnson, Madison, Marion, Morgan, Shelby

Region 8: *765-285-1553*

Blackford, Delaware, Henry, Jay, Randolph, Wayne

Region 9: *812-574-4362*

Dearborn, Fayette, Franklin, Jefferson, Ohio, Ripley, Rush, Switzerland, Union

Region 10: *812-856-4093*

Bartholomew, Brown, Decatur, Greene, Jackson, Jennings, Lawrence, Monroe, Owen

Region 11: *812-461-5353*

Daviess, Dubois, Gibson, Knox, Martin, Perry, Pike, Posey, Spencer, Vanderburgh, Warrick

Region 12: *812-941-2117*

Clark, Crawford, Floyd, Harrison, Orange, Scott, Washington

ATTACHMENT A

DEFINITIONS

Low and moderate income - is defined as 80% of the median family income (adjusted by size) for each county. For a county applicant, this is defined as 80% of the median income for the state. The income limits shall be as defined by the U. S. Department of Housing and Urban Development Section 8 Income Guidelines for "low income families." Certain persons are considered to be "presumptively" low and moderate income persons as set forth under 24 CFR 570.208(a)(2); inquiries as to such presumptive categories should be directed to the IDOC's Grants Management Office, Attention: Ms. Kelly Boe at (317) 232-8831.

Matching funds - local public or private sector in-kind services, cash or debt allocated to the CDBG project. The **minimum** level of local matching funds for Community Focus Fund (CFF) projects is ten-percent (10%) of the **total estimated project costs**. This percentage is computed by adding the proposed CFF grant amount and the local matching funds amount, and dividing the local matching funds amount by the total sum of the two amounts. The 2004 definition of match has been adjusted to include a maximum of 5% pre-approved and validated in-kind contributions. The balance of the ten (10) percent must be in the form of either cash or debt. Any in-kind over and above the specified 5% may be designated as local effort. Funds provided to applicants by the State of Indiana such as the Build Indiana Fund are not eligible for use as matching funds.

Private investment resulting from CDBG projects does not constitute local match for all IDOC-CDBG programs except the Community Economic Development Fund (CEDF); such investment will, however, be evaluated as part of the project's impact, and should be documented. The Development Finance Division reserves the right to determine sources of matching funds for CEDF projects.

Proposal (synonymous with "pre-application) - A document submitted by a community which briefly outlines the proposed project, the principal parties, and the project budget and how the proposed project will meet a goal of the Federal Act. If acceptable, the community may be invited to submit a full application.

Reversions - Funds placed under contract with a community but not expended for the granted purpose because expenses were less than anticipated and/or the project was amended or canceled and such funds were returned to the Department of Commerce upon financial settlement of the project.

Slums or Blight - an area/parcel which: (1) meets a definition of a slum, blighted, deteriorated, or deteriorating area under state or local law (Title 36-7-1-3 of Indiana Code); and (2) meets the requirements for "area basis" slum or blighted conditions pursuant to 24 CFR 570.208(b)(1) and 24 CFR 570.483(c)(1), or "spot basis" blighted conditions pursuant to 24 CFR 570.208(b)(2) and 24 CFR 570.483(c)(2).

Urgent Need - is defined as a serious and immediate threat to health and welfare of the community. The Chief Elected Official must certify that an emergency condition exists and requires immediate resolution and that alternative sources of financing are not available. An application for CDBG funding under the "urgent need" CDBG national objective must adhere to all requirements for same set forth under 24 CFR 570.208(c) and 24 CFR 570.483(d).

ATTACHMENT B

DISPLACEMENT PLAN

1. The State shall fund only those applications, which present projects and activities, which will result in the displacement of as few persons or businesses as necessary to meet the goals and objectives of the state and local CDBG-assisted program.

2. The State will use this criterion as one of the guidelines for project selection and funding.

3. The State will require all funded communities to certify that the funded project is minimizing displacement.

4. The State will require all funded communities to maintain a local plan for minimizing displacement of persons or businesses as a result of CDBG funded activities, pursuant to the federal Uniform Relocation and Acquisitions Policies Act of 1970, as amended.

5. The State will require that all CDBG funded communities provide assistance to all persons displaced as a result of CDBG funded activities.

6. The State will require each funded community to provide reasonable benefits to any person involuntarily and permanently displaced as a result of the CDBG funded program.

ATTACHMENT C

GENERAL SELECTION CRITERIA

The Department of Commerce (IDOC) will consider the following general criteria when evaluating a project proposal. Although projects will be reviewed for this information at the proposal stage, no project will be eliminated from consideration if the criteria are not met. Instead, the community will be alerted to the problem(s) identified. Communities must have corrected any identified deficiencies by the time of application submission for that project to be considered for funding.

A. General Criteria (all programs - see exception for program income and housing projects through the IHFA in 6 below):

1. The applicant must be a legally constituted general purpose unit of local government and eligible to apply for the state program.

2. The applicant must possess the legal capacity to carry out the proposed program.

3. If the applicant has previously received funds under CDBG, they must have successfully carried out the program. An applicant must not have any overdue closeout reports, State Board of Accounts OMB A-133 audit or IDOC monitoring finding resolutions (where the community is responsible for resolution.) Any determination of "overdue" is solely at the discretion of the Indiana Department of Commerce.

4. An applicant must not have any overdue CDBG semi-annual Grantee Performance Reports, subrecipient reports or other reporting requirements of the IDOC. Any determination of "overdue" is solely at the discretion of the Indiana Department of Commerce.

5. The applicant must clearly show the manner in which the proposed project will meet one of the three national CDBG objectives and meet the criteria set forth under 24 CFR 570.483.

6. The applicant must show that the proposed project is an eligible activity under the Act.

7. The applicant must first encumber/expend all CDBG program income receipts before applying for additional grant funds from the Department of Commerce; EXCEPTION - this general criteria will not apply to applications made directly to the Indiana Housing Finance Authority (IHFA) for CDBG-funded housing projects.

B. Community Focus Fund (CFF) and Planning Fund (PL):

1. To be eligible to apply at the time of application submission, an applicant must not have any:

   a. Overdue grant reports, subrecipient reports or project closeout documents; or

   b. More than one open or pending CDBG-CFF grant or CDBG-Planning grant (Indiana cities and incorporated towns).

   c. For those applicants with one open CFF, a "Notice of Release of Funds and Authorization to Incur Costs" must have been issued for the construction activities under the open CFF contract, and a contract for construction of the principal (largest funding amount) construction line item (activity) must have been executed prior to the deadline established by IDOC for receipt of applications for CFF funding.

   d. For those applicants who have open Planning Fund grants, the community must have final plan approved by the Community Development Division prior to submission of a CFF application for the project.

f. An Indiana county may have two (2) open CFF's and/or Planning Grants and apply for a third CFF or Planning Grant. A county may have only three (3) open CFF's or Planning Grants. Both CFF contracts must have an executed construction contract by the application due date.

2. The cost/beneficiary ratio for CFF funds will be maintained at a reasonable rate, except for daycare and housing-related projects where that ratio will not exceed $10,000. Housing-related projects are to be submitted directly to the Indiana Housing Finance Authority (IHFA) under its programs, except for projects entailing construction of infrastructure (to be publicly dedicated right-of-way) in support of housing-related projects. Projects for infrastructure in support of housing needs may be submitted to the IDOC for CFF funding.

3. At least 10% leveraging (as measured against the CDBG project, see definitions) must be proposed. The Indiana Department of Commerce may rule on the suitability and eligibility of such leveraging.

4. The applicant may only submit one proposal or application per round. Counties may submit either for their own project or an "on-behalf-of" application for projects of other eligible applicants within the county. However, no application will be invited from a county where the purpose is clearly to circumvent the "one application per round" requirement for other eligible applicants.

5. The application must be complete and submitted by the announced deadline.

6. For area basis projects, applicants must provide convincing evidence that circumstances in the community have so changed that a survey conducted in accordance with HUD survey standards is likely to show that 51% of the beneficiaries will be of low-and-moderate income. This determination is not applicable to specifically targeted projects.

C. Housing Programs: Refer to Method of Distribution for Indiana Housing Finance Authority within this FY 2004 Consolidated Plan Update

D. Quick Response Program:

Applicants for the Quick Response Program funds must meet the General Criteria set forth in Section A above, plus the specific program income requirements set forth in the "Method of Distribution" section of this document.

E. Community Economic Development Program/Fund (CEDF):

Applicants for the Community Economic Development Fund assistance must meet the General Criteria set forth in Section A above, plus the specific program requirements set forth in the "Method of Distribution" section of this document.

GRANT EVALUATION CRITERIA – 1,000 POINTS TOTAL

Economic and Demographic Characteristics (450 points):

National Objective Score (200 points):

Depending on the National Objective to be met by the project, one of the following two mechanisms will be used to calculate the score for this category.

1. National Objective = Benefit to Low- and Moderate-Income Persons: 200 points maximum awarded according to the percentage of low- and moderate-income individuals to be served by the project. The total points given are computed as follows:

National Objective Score = % Low/Mod Beneficiaries X 2.5

The point total is capped at 200 points or 80% low/moderate beneficiaries, i.e., a project with 80% or greater low/moderate beneficiaries will receive 200 points. Below 80% benefit to low/moderate-income persons, the formula calculation will apply.

National Objective = Prevention or Elimination of Slums or Blight: 200 points maximum awarded based on the characteristics listed below. The total points given are computed as follows:

National Objective Score = (Total of the points received in each category below) X 2.5

___ Slum/Blight Area or Spot designated by resolution of the local unit of government (50 pts.)

___ Community is an Indiana Main Street Member, Main Street Community, or Certified Indiana Main Street Community, and the project relates to downtown revitalization (5 pts.)

___ The project is located in an Indiana Urban Enterprise Zone (5 pts.)

___ The project site is a brownfield* (5 pts.)

___ The project is located in a designated redevelopment area under IC 36-7-14 (5 pts.)

___ The building or district is listed on the Indiana or National Register of Historic Places (10 pts.)

___ The building or district is eligible for listing on the Indiana or National Register of Historic Places (5 pts.)

___ The building is on the Historic Landmarks Foundation of Indiana's "10 Most Endangered List" (10 pts.)

* The State of Indiana defines a brownfield as a parcel of real estate that is abandoned or inactive; or may not be operated at its appropriate use; and on which expansion, redevelopment, or reuse is complicated because of the presence or potential presence of a hazardous substance, a contaminant, petroleum, or a petroleum product that poses a risk to human health and the environment.

Community Distress Factors (250 Points):

The six community distress factors used to measure the economic conditions of the applicant community are listed below. Each measure is described with an explanation and an example of how the points are determined. Four of the factors (unemployment rate, net assessed valuation per capita, median housing value, and percentage of population change) can receive a maximum of 50 points, while two of the factors (median household income and family poverty rate) have a maximum value of 25 points. The sum of these six scores equals the total community distress score, and has a maximum of 250 points. *Before calculations are carried out, extreme values (i.e., outliers) are identified and excluded from the rescaling process. Outliers are assigned a score of 0, 25, or 50, as appropriate.*

Unemployment Rate (50 points maximum): Unemployment rate for the county of the lead applicant. The most recent average annual rate available is used.

a. If the unemployment rate is above the maximum value, 50 points are awarded.

b. If the unemployment rate is below the minimum value, 0 points are awarded.

c. Between those values, the points are calculated by taking the unemployment rate, subtracting the minimum value, dividing by the range, and multiplying by 50.

Unemployment Rate Points = [((Unemployment rate – minimum)/range X 50]

For example, if the unemployment rate is 4.5%, the minimum value is 2.6%, maximum value is 9.7%, and range is 7.1%, take unemployment rate of 4.5%, subtract the minimum value of 2.6%, divide by a range of 7.1%, and multiply by 50. The score would be 13.38 point of a possible 50; [((4.5 – 2.6)/7.1) X 50].

Net Assessed Value/capita (50 points maximum): Net assessed value per capita (NAV pc) for lead applicant[1]. The most recent net assessed valuation figures[2], as well as the most recent population figures are used.

> To determine the NAV pc, divide the net assessed valuation by the population estimate for the same year. For example, for 2002 NAV pc, you would divide the 2002 NAV by the Census Bureau's estimate of the population on July 1, 2002.

NAV per capita = NAV/Total Population

d. If the net assessed value per capita for the lead applicant is above the maximum value, 0 points are awarded.

e. If the net assessed value per capita for the lead applicant is below the minimum value, 50 points are awarded.

f. Between those values, the points are calculated by subtracting 50 from the NAVpc minus the minimum value, divided by the range and multiplied by 50.

NAV per capita points = 50 – [((NAV pc – minimum)/range) X 50]

For example, if the NAVpc is $29,174, the minimum value is $2,589 (excluding outliers), maximum value is $75,524 (excluding outliers), and the range is $72,935, take 50, subtract the NAV/capita of $29,174 minus the minimum value of $2,589, divide by the range of $72,935, and multiply by 50. The score would be 31.78 points of a possible 50 points; 50 – [((29,174 - 2,589)/72,935) X 50].

Median Housing Value (50 points maximum): Median Housing Value (MHV) for lead applicant[3]. Data from the most recent census are used.

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[1] For unincorporated areas, the NAV pc will be calculated based on data at the township level.

[2] All applicants will utilize the same basis, i.e., true tax value or market value, for the NAV pc calculation.

[3] For unincorporated areas MHV will be calculated based on data at the township level.

Median Housing Value Points = 50 – [((MHV – minimum)/range) X 50]

g. If the median housing value for the lead applicant is above the maximum value, 0 points are awarded.

h. If the median housing value for the lead applicant is below the minimum value, 50 points are applicant.

For example, if the median housing value is $79,000, the minimum value is $24,300 (excluding outliers), maximum value is $246,300 (excluding outliers) and the range is $222,000, take 50, subtract the MHV of $79,000 minus the minimum value of $24,300, divide by the range of $222,000, and multiply by 50. The score would be 37.68 points out of a total possible of 50; 50 – [((79,000 – 24,300)/222,000) X 50].

Median Household Income (25 points maximum): Median household income (MHI) for the lead applicant[4]. Data from the most recent census are used.

Median Household Income Points = 25 – [((MHI – minimum)/range) X 25]

i. If the median household income is above the maximum value, 0 points are awarded.

j. If the median household income is below the minimum value, 25 points are awarded.

k. Between those values, the points are calculated by subtracting 25 from the MHI minus the minimum value, divided by the range, and multiplied by 25.

For example, if the Median Household Income is $35,491, the minimum value is $16,667 (excluding outliers), maximum value is $97,723 (excluding outliers), range is $81,056, take 25, subtract the MHI of $35,491, minus the minimum value of $16,667, divide by the range of $81,056, and multiply by 25. The score would be 19.19 points out of a possible 25; 25 – [((35,491 – 16,667)/81,056) X 25].

Family Poverty Rate (25 points maximum): Family poverty rate for the lead applicant[5]. Data from the most recent census are used.

Family Poverty Rate Points = [((Family Poverty Rate – minimum)/range) X 25]

[4] For unincorporated areas MHI will be calculated based on data at the township level.

[5] For unincorporated areas Family Poverty Rate will be calculated based on data at the township level.

l. If the family poverty rate is above the maximum value, 25 points are awarded.

m. If the family poverty rate is below the minimum value, 0 points are awarded.

n. Between those values, the points are calculated by subtracting the Family Poverty Rate from the minimum value, then dividing by the range, and multiplying by 25.

For example, if the family poverty rate is 1.4%, the minimum value is 0% (excluding outliers), maximum value is 25% (excluding outliers), and range is 25%, take family poverty rate of 1.4%, subtract the minimum value of 0%, divide by a range of 25%, and multiply by 25. The score would be 1.4 points of a possible 50; [((1.4 – 0)/25) X 25]

Percentage Population Change (50 points maximum): Percentage population change from 1990 to 2000 for the lead applicant[6]. The percentage change is computed by subtracting the 1990 population from the 2000 population and dividing by the 1990 population. Convert this decimal to a percentage by multiplying by 100.

Percentage Population Change = [(2000 population - 1990 population)/1990 population] X 100

o. If the population changed above the maximum percentage value, 0 points are awarded.

p. If the population changed below the minimum percentage value, 50 points are awarded.

q. Between those values, the points are calculated by subtracting 50 from the Percentage population change minus the minimum value divided by the range, and multiplied by 50.

Percentage Population Change points = 50 – [(Percentage population change – minimum)/range) X 50]

For example, if the population increased by 16.61%, the minimum value is –61.33% (excluding outliers), maximum value is 181.27% (excluding outliers), range is 242.60%, take 50, subtract 16.61% minus the minimum value of –61.33%, divide the range of 242.60%, and multiply by 50. The score would be 33.94 points out of a total possible of 50; 50 – [((16.61 – (-61.33)/242.60) X 50].

<u>Local Match Contribution (100 points):</u>

Up to 100 points possible based on the percentage of local funds devoted to the project. This total is determined as follows:

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[6] For unincorporated areas percentage population change will be calculated based on data at the township level.

Total Match Points = % Eligible Local Match X 2

Eligible local match can be local cash or debt. Government grants, including Build Indiana Funds, are not considered eligible match. In-kind sources may provide eligible local match for the project, but the amount that can be counted as local match is limited to 5% of the total project budget, up to a maximum of $25,000. Use of in-kind donations as eligible match is subject to prior approval from the Indiana Department of Commerce, Community Development Division.

<u>Project Design Factors (450 points):</u>

450 points maximum awarded according to the evaluation in three areas:

Project Need - why does the community need this project?

Financial Impact - why is grant assistance necessary to complete this project?

Local Effort - what has/is the community doing to move this project forward?

The project can receive a total of 150 points in each category. The project design points are awarded in **10-**point increments. The points in these categories are awarded by the IDOC review team when evaluating the projects. Applicants should work with their IDOC representative to identify ways to increase their project's scores in these areas. Other factors may affect the project design score.

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CITIZEN PARTICIPATION PLAN
INDIANA DEPARTMENT OF COMMERCE (STATE)

The State of Indiana, Department of Commerce, pursuant to 24 CFR 91.115, 24 CFR 570.431 and 24 CFR 570.485(a) wishes to encourage maximum feasible opportunities for citizens and units of general local government to provide input and comments as to its Methods of Distribution set forth in the Department's annual Consolidated Plan for CDBG funds submitted to HUD as well as the Department's overall administration of the State's Small Cities Community Development Block Grant (CDBG) Program. In this regard, the Department of Commerce will perform the following:

1. Require each unit of general local government to comply with citizen participation requirements for such governmental units as specified under 24 CFR 570.486(a), to include the requirements for accessibility to information/records and to furnish citizens with information as to proposed CDBG funding assistance as set forth under 24 CFR 570.486(a)(3), provide technical assistance to representatives of low-and-moderate income groups, conduct a minimum of two (2) public hearings on proposed projects to be assisted by CDBG funding, such hearings being accessible to handicapped persons, provide citizens with reasonable advance notice and the opportunity to comment on proposed projects as set forth in Title 5-3-1 of Indiana Code, and provide interested parties with addresses, telephone numbers and times for submitting grievances and complaints.

2. Consult with local elected officials and the Department's Grant Administrator Networking Group in the development of the Method of distribution set forth in the State's Consolidated Plan for CDBG funding submitted to HUD.

3. Publish a proposed or "draft" Consolidated Plan and afford citizens, units of general local government, and the CDBG Policy Advisory committee the opportunity to comment thereon;

4. Furnish citizens and units of general local government with information concerning the amount of CDBG funds available for proposed community development and housing activities and the range/amount of funding to be used for these activities;

5. Hold one (1) or more public hearings respective to the State's proposed/draft Consolidated Plan, on amendments thereto, duly advertised in newspapers of general circulation in major population areas statewide pursuant to I.C. 5-3-1-2 (B), to obtain the views of citizens on proposed community development and housing needs. The Consolidated Plan Committee published the enclosed legal advertisement to twelve (12) regional newspapers of general circulation statewide respective to the public hearings (April 19 and April 20, 2004) held on the 2004 Consolidated Plan Update. In addition, this notice was distributed by mail to over 3,000 local officials, non-profit entities, and interested parties statewide in an effort to maximize citizen participation in the FY 2004 consolidated planning process:

The Republic, Columbus, IN
Indianapolis Star, Indianapolis, IN
The Journal-Gazette, Fort Wayne, IN
The Chronicle-Tribune, Marion, IN
The Courier Journal, Louisville, KY
Gary Post Tribune, Gary, IN
Tribune Star, Terre Haute, IN
Journal & Courier, Lafayette, IN
Evansville Courier, Evansville, IN
South Bend Tribune, South Bend, IN
Palladium-Item, Richmond, IN
The Times, Munster, IN

6. Provide citizens and units of general local government with reasonable and timely access to records regarding the past and proposed use of CDBG funds,

7. Make the Consolidated Plan available to the public at the time it is submitted to HUD, and;

8. Follow the process and procedures outlined in items 2 through 7 above with respect to any amendments to a given annual CDBG Consolidated Plan and/or submission of the Consolidated Plan to HUD.

In addition, the State also will solicit comments from citizens and units of general local government on its CDBG Performance Review submitted annually to the U.S. Department of Housing and Urban Developments (HUD). Prior to its submission of the Review to HUD, the State will advertise regionally statewide (pursuant to I.C. 5-3-1) in newspapers of general circulation soliciting comments on the Performance and Evaluation Report.

The State will respond within thirty (30) days to inquiries and complaints received from citizens and, as appropriate, prepare written responses to comments, inquiries or complaints received from such citizens.

NOTICE OF PUBLIC HEARING
FY 2004 CONSOLIDATED PLAN FOR FUNDING

INDIANA DEPARTMENT OF COMMERCE
INDIANA HOUSING FINANCE AUTHORITY
INDIANA FAMILY AND SOCIAL SERVICES ADMINISTRATION
INDIANA DEPARTMENT OF HEALTH

Pursuant to 24 CFR Part 91.115(a)(2), the State of Indiana wishes to encourage citizens to participate in the development of the State of Indiana Consolidated Plan for 2004. In accordance with this regulation, the State is providing the opportunity for citizens to comment on the 2004 Consolidated Plan Update draft report, which will be submitted to the US Department of Housing and Urban Development (HUD) on or before May 15, 2004. The Consolidated Plan defines the funding sources for the State of Indiana's four (4) major HUD-funded programs and provides communities a framework for defining comprehensive development planning. The FY 2004 Consolidated Plan will set forth the method of distribution of funding for the following state agencies and HUD-funded programs:

Indiana Department of Commerce - State Community Development Block Grant (CDBG) Program
Indiana Housing Finance Authority - Home Investment Partnership Program
Indiana Housing Finance Authority - Housing Opportunities for Persons With Aids Program
Indiana Family and Social Services Administration - Emergency Shelter Grant Program

These public hearings will be conducted as follows:

April 19, 2004 – Crawfordsville City Library
222 South Washington Street
Crawfordsville, IN 47933

April 20, 2004 – Greenwood City Building
2 North Madison Avenue
Greenwood, IN 46142

If you are unable to attend the public hearings, written comments are invited through April 30, 2004, at the following address:

Grants Management Office
Indiana Department of Commerce
One North Capitol - Suite 700
Indianapolis, IN 46204-2288

Please direct all questions to the Grants Management Office of the Department of Commerce at its toll free telephone number (800-246-7064) during normal business hours.

HOME Allocation Plan

Indiana Housing Finance Authority

Program Descriptions and Allocation Plan

Program Year 2004

Community Development Block Grant (CDBG)
HOME Investment Partnerships Program (HOME)
American Dream Down Payment Assistance (ADDI)

Methods of Distribution

The Indiana Housing Finance Authority (IHFA) allocates CDBG, HOME, and ADDI funds through the programs shown below. Each program area has unique criteria upon which funding decisions are based. For full program information, please refer to IHFA's full application packages and/or program guides.

PROGRAM NAME	FUNDING SOURCE	TIMING OF FUNDING
Foundations	CDBG and HOME	2 annual competitive funding cycles
CHDO Works	HOME	2 annual competitive funding cycles
Housing from Shelters to Homeownership	CDBG and HOME	2 annual competitive funding cycles
RHTC/Bond/HOME Combined Funding	HOME	1 annual funding cycle
HOME Administrative Subrecipients	HOME	As needed
INTR City	HOME	TBD
Homeownership Counseling Program	HOME	TBD
HOME OOR Program	HOME	TBD
First Home/Plus	HOME/ADDI	Continuous throughout the year
First Home/One Down	HOME/ADDI	Continuous throughout the year
First Home 100	HOME/ADDI	Continuous throughout the year
HomeChoice	HOME/ADDI	Continuous throughout the year
First Home Community	HOME/ADDI	Continuous throughout the year
First Home Opportunity	HOME/ADDI	Continuous throughout the year

Foundations

The most successful housing programs are those that grow out of careful planning and assessment of the needs of a particular community. For this reason, IHFA provides funds to finance planning activities related to the development of affordable housing through the Foundations program.

Eligible Applicants / Eligible Activities

Housing needs assessments are used to gather data, prepare housing related community plans, and identify actions that need to be taken in order to create, develop, or preserve affordable housing. These studies are broad in nature and not specific to a particular site or activity. This activity is funded through CDBG. Only non-entitlement local units of government are eligible to apply for up to $50,000 for this activity.

Feasibility studies are more specific to a particular site or housing activity and are similar to a market study. Through these studies, applicants can, among other things, identify a site for a particular housing activity, develop a preliminary estimate of costs, or identify whether or not there is adequate demand for a particular type of affordable housing. This activity is also funded through CDBG. Only non-entitlement local units of government are eligible to apply for up to $30,000 for this activity.

Predevelopment loans are similar to feasibility studies except that State-certified Community Housing Development Organizations (CHDOs) are allowed to go even further into the planning process, to the point of obtaining an option to purchase the site or developing preliminary architectural plans.

Seed money loans can be used by CHDOs to pay for such things as final architectural and engineering plans, loan reservation fees, or building permit fees. Once a housing activity is deemed feasible and site control is obtained, a CHDO can apply for a seed money loan.

The CHDO must pay back either loan if the housing activity goes forward. The CHDO may borrow up to $30,000 of HOME funds for a term of 24 months at a zero percent interest rate. If the housing activity is deemed infeasible or unable to go forward, the applicant may request that the loan be forgiven.

Scoring Criteria

If an application satisfies all applicable requirements, it will be evaluated and scored based on criteria in the following categories: Constituency Served; Activity Design; Organizational Capacity; Readiness to Proceed; Market; and Minority or Women Business Enterprise Participation. Applicants can receive up to 100 total possible points. No award shall be made to any application that scores below a total of 50 points.

Notwithstanding the point ranking system set forth above, IHFA, through its Board of Directors, reserves the right and shall have the power to allocate funds irrespective of its point ranking, if such intended allocation is: (1) in compliance with the applicable federal regulations; (2) in furtherance of the overall goals of the Authority; and (3) determined by the Board to be in the interests of the citizens of the State of Indiana.

Funds will be awarded only in amounts appropriate to the scope of the identified need. IHFA reserves the right to determine the exact amount and type of assistance needed for each individual housing activity.

CHDO Works

Eligible Applicants

Eligible applicants are not-for-profit organizations that have successfully obtained certification from IHFA as a Community Housing Development Organization (CHDO), are in good standing with IHFA, and serve non-participating jurisdiction areas (unless they will be developing transitional housing).* Organizations that have not yet received CHDO certification (or whose certification is pending) are not eligible for operating funds.

*Participating Jurisdiction areas include:

Anderson	Gary	Muncie
Bloomington	Hammond	St. Joseph County Consortium
East Chicago	Indianapolis**	Terre Haute
Evansville	Lake County	Tippecanoe County Consortium
Fort Wayne		

** The Cities of Beech Grove, Lawrence, Speedway, Southport, and the part of the Town of Cumberland located within Hancock County are not considered part of the Indianapolis participating jurisdiction. Applicants that serve these areas would be eligible for CHDO Works funding.

Eligible Activities

Eligible activities are those directly related to promoting the agency's ability to develop, sponsor, and/or own HOME CHDO-eligible affordable housing, such as homebuyer, rental, and transitional housing. Any applicant who successfully competes for operating funds is required to apply and receive funding for a HOME CHDO-eligible housing activities within twenty-four (24) months from the date that an operating award is made.

According to 24 CFR §92.208, eligible costs include reasonable and necessary costs for the operation of the CHDO. Such costs include, but are not limited to, salaries, wages, and other employee compensation and benefits; employee education, training, and travel; rent; utilities; communication costs; taxes; insurance; equipment, including filing cabinets; materials; supplies; annual financial audit; and costs associated with a strategic long-range plan. Other costs may also be eligible. Applicants are encouraged to consider computer equipment needs, especially hardware and software updates.

Administrative costs associated with implementing the lead based paint regulations are eligible for funding under CHDO Works. These expenses include training staff on the regulations, staff certification for Lead Inspector/Risk Assessor and Lead Construction Supervisor, and special equipment purchases such as protective clothing or XRF machines.

Eligible costs do not include furniture or other office décor.

Scoring Criteria

If an application satisfies all applicable requirements, it will be evaluated and scored based on criteria in the following categories: Organizational Capacity; Community Need; Access to Skilled Individuals; Training; and Financial Management. Applicants can receive up to 100 total possible points. The minimum scoring threshold for applications will vary as follows:

Number of Previous "CHDO Works" Awards	Threshold
0 awards	50 points
1 award	65 points
2 or more awards	75 points

Any application that falls below its respective threshold will not be recommended for funding.

Notwithstanding the point ranking system set forth above, IHFA, through its Board of Directors, reserves the right and shall have the power to allocate funds irrespective of its point ranking, if such intended allocation is: (1) in compliance with the applicable statutes; (2) in furtherance of promoting affordable housing; and (3) determined by IHFA's Board of Directors to be in the interests of the citizens of the State of Indiana.

Funds will be awarded only in amounts appropriate to the scope of the identified need. IHFA reserves the right to determine the exact amount and type of assistance needed for each individual housing activity.

Funding Limitations

Applicants may apply for up to $70,000 in operating assistance for a 24-month term. CHDOs may receive no more than one operating grant in a two-year period. CHDO Works funding (along with all other HOME-funded CHDO operating expenses) is limited to: (1) 50% of the CHDO's total operating expenses in any one fiscal year, or (2) $50,000, whichever is greater.

Housing from Shelters to Homeownership

The Housing from Shelters to Homeownership program provides grants and loans to public and private organizations for the rehabilitation or new construction of affordable housing. The types of housing activities that can be funded and the eligible applicants depend on the source of funding. The chart below briefly outlines what activities are eligible for CDBG and HOME and the type of applicant that is eligible to apply for those funds.

Eligible Applicants / Eligible Activities	**Local Units of Government (Non-CDBG Entitlement Communities)**[1]	**Local Units of Government (Non-HOME Participating Jurisdictions) & Townships** [2]	**Community Housing Development Organizatio n (CHDO)**[2]	**501(c)3 or 501(c)4 Organizations , Public Housing Authorities, & Joint Ventures**
Emergency Shelter Rehabilitation/New Construction	CDBG			
Youth Shelter Rehabilitation/New Construction	CDBG			
Transitional Housing Rehabilitation[3]	CDBG	HOME	HOME	HOME
Transitional Housing Rehabilitation/Refinance[3]		HOME	HOME	HOME
Transitional Housing New Construction[3]		HOME	HOME	HOME
Migrant/Seasonal Farm Worker Housing Rehabilitation/New Construction	CDBG			
Permanent Supportive Housing	CDBG	HOME	HOME	HOME

Eligible Applicants / Eligible Activities	**Local Units of Government (Non-CDBG Entitlement Communities)[1]**	**Local Units of Government (Non-HOME Participating Jurisdictions) & Townships [2]**	**Community Housing Development Organization (CHDO)[2]**	**501(c)3 or 501(c)4 Organizations, Public Housing Authorities, & Joint Ventures**
Rehabilitation[3]				
Permanent Supportive Housing Rehabilitation/Refinance[3]		HOME	HOME	HOME
Permanent Supportive Housing New Construction[3]		HOME	HOME	HOME
Rental Rehabilitation	CDBG	HOME	HOME	HOME
Rental Rehabilitation/Refinance		HOME	HOME	HOME
Rental New Construction		HOME	HOME	HOME
Homebuyer Rehabilitation/New Construction		HOME	HOME	HOME
Owner-Occupied Rehabilitation	CDBG			
Voluntary Acquisition Demolition	CDBG			

[1] The following entitlement communities are not eligible to apply for CDBG funds. However, non-entitlement applicants may apply for a housing activity located within an entitlement community if the applicant can demonstrate that beneficiaries will come from outside of the entitlement community's boundaries:

Anderson	Elkhart	Goshen	Indianapolis*	Michigan City	South Bend
Bloomington	Evansville	Hamilton County	Lafayette	Mishawaka	Terre Haute
Columbus	Fort Wayne	Hammond	Lake County	Muncie	West Lafayette
East Chicago	Gary	Kokomo	LaPorte	New Albany	

* The Cities of Beech Grove, Lawrence, Speedway, Southport, and the part of the Town of Cumberland located within Hancock County are not considered part of the Indianapolis entitlement community. Applicants that serve these areas would be eligible for CHDO Works funding.

[2] Applications from, or housing activities located within, the following participating jurisdictions are not eligible for HOME funds unless the request is for transitional housing:

Anderson	Gary	St. Joseph County Consortium
Bloomington	Hammond	Terre Haute
East Chicago	Indianapolis*	Tippecanoe County Consortium
Evansville	Lake County	
Fort Wayne	Muncie	

*The Cities of Beech Grove, Lawrence, Speedway, Southport, and the part of the Town of Cumberland located within Hancock County are not considered part of the Indianapolis participating jurisdiction. Applicants that serve these areas would be eligible for CHDO Works funding.

[3] IHFA will accept applications for HOME-funded permanent supportive and transitional housing regardless of the development's location within the state.

Scoring Criteria

Through the scoring criteria, preference is given to housing activities that:

- meet the needs of their specific community
- attempt to reach very low-income levels of 30% of area median income
- are ready to proceed with the housing activity upon receipt of the award
- revitalize existing neighborhoods

If an application satisfies all applicable requirements, it will be evaluated and scored based on criteria in the following categories: Constituency Served; Development Characteristics; Financing; Market; Organizational Capacity; Readiness to Proceed; and Minority and Women Business Enterprise Participation.

No award shall be made to any application that scores below 40 points. Where applicable, the funding agreement and any restrictive covenants recorded with the property will contain restrictions applicable to the points received.

Notwithstanding the point ranking system set forth above, IHFA, through its Board of Directors, reserves the right and shall have the power to allocate funds to a development irrespective of its point ranking, if such intended allocation is: (1) in compliance with applicable statutes; (2) in furtherance of promoting affordable housing; and (3) determined by IHFA's Board of Directors to be in the interests of the citizens of the State of Indiana.

Assistance may be provided in the form of grants or loans; however, funds will be awarded only in amounts appropriate to the scope of the identified need. IHFA reserves the right to determine the exact amount and type of assistance needed for each individual housing activity.

Funding Limitations

In general, eligible applicants may apply for up to $500,000 in CDBG or $750,000 in HOME funds through the Housing from Shelters to Homeownership program. Applicants for owner-occupied rehabilitation, though, are limited to a maximum of $300,000.

The CDBG or HOME applicant's request for funding must not exceed the per unit subsidy limitations listed below:

- $20,000 per bed for emergency shelters, youth shelters, or migrant/seasonal farm worker housing
- $35,000 per 0 bedroom unit for transitional, permanent supportive, rental, or homebuyer, activities
- $40,000 per 1-2 bedroom unit for transitional, permanent supportive, rental, or homebuyer, activities
- $50,000 per 3 or more bedroom unit for transitional, permanent supportive, rental, or homebuyer
- $15,000 per unit for owner occupied rehabilitation
- $100,000 per unit for voluntary acquisition demolition activities

Provisions for Rental Rehabilitation/Refinance

- Applicants for transitional, permanent supportive, and rental rehabilitation/refinance must demonstrate that:
    - Refinancing is necessary to maintain current affordable units and/or create additional affordable units.
    - The primary activity is rehabilitation. The applicant must budget a minimum of 51% of the HOME funds for rehabilitation.
    - The development will satisfy a minimum 15-year affordability period.

- Disinvestment in the property has not occurred.
- The long term needs of the development can be met.
- It is feasible to serve the targeted population over the affordability period.
- The amount of funds applied to the refinance budget line item will be made as an amortized loan to the applicant. The applicant should propose at least a 2% interest rate, a term of not more than 30 years, and an amortization period of not more than 30 years.
- The HOME loan must be fully secured.
- The HOME funds used for construction may be forgiven at the end of the affordability period.
- Applicants for permanent supportive housing rehabilitation/refinance cannot use HOME funds to refinance multifamily loans made or insured by any other federal program, including, but not limited to, FHA, CDBG, or Rural Development.

Rental Housing Tax Credits / Multifamily Private Activity Tax Exempt Bond Financing (RHTC/Bond/HOME Combined Funding)

In an effort to streamline the multi-family application process, developers applying for Rental Housing Tax Credits (RHTCs) or Multifamily Private Activity Tax-Exempt Bonds (Bonds) may simultaneously request funds from the HOME Investment Partnerships Program (HOME). If you are applying for RHTCs or Bonds for any development and want to also access HOME funds, you must indicate the HOME funding request on the "Multi-Family Housing Finance Application" and submit additional documentation as instructed in the "Multi-Family Housing Finance Application – HOME Supplement." Outside of this process, applications for HOME financing for a RHTC or Bond development will only be considered in accordance with IHFA's Housing from Shelters to Homeownership application criteria.

1. **Eligible Applicants**

The award of HOME funds will be made as follows:

1. State-Certified Community Housing Development Organization (CHDO) – HOME funds will be provided in the form of a forgivable loan to state-certified CHDOs that are the 100% general partner or managing member of the LP or LLC. The loan will be forgiven at the end of the affordability period if in compliance with all requirements.
2. Not-for-Profit Organizations or Public Housing Authorities – HOME funds will be provided in the form of a forgivable loan to not-for-profit organizations that are the 100% general partner or managing member of the LP or LLC. The loan will be forgiven at the end of the affordability period if in compliance with all requirements.
3. Limited Partnerships (LP) or Limited Liability Companies (LLC) – For developments where a state-certified CHDO or not-for-profit organization is not the 100% general partner or member, HOME funds will be loaned to the ownership entity. If the LP or LLC has not yet been formed, the applicant for HOME funds should be the general partner or member. If a HOME award is made to the development, the loan documents must be executed by the LP or LLC.

Form of Assistance

1. If the CHDO, not-for-profit, or PHA structures the HOME funds into the development as an amortized or deferred loan, they maybe permitted to retain the repayments of principal and

interest for use in other affordable housing developments at IHFA's discretion. The CHDO, not-for-profit, or PHA may use the repayment stream (both principal and interest): (1) to buy the property at the end of the partnership; (2) to pay the exit fees for other partners in the development at the end of the affordability period; (3) to provide services to the tenants of the particular development; (4) to exert influence over the conditions of sale of the property; or (5) for the organization's other affordable housing activities that benefit low-income families.

IHFA will subordinate to the point when the HOME loan plus other financing is at an amount not to exceed 100% of the cost of construction. Subordination beyond one hundred percent (100%) will be entertained on a case-by-case basis.

2. Alternatively, for developments where a CHDO or not-for-profit organization is not the 100%general partner or managing member, IHFA will provide the HOME funds as an amortized or deferred loan to the LP or LLC. If such an entity has not yet been formed, the applicant for the HOME funds should be the general partner or managing member, but all award documents must be executed by the LP or LLC. Principal and interest payments on these awards may be either deferred or amortized. The applicant may propose a loan term for up to 17 years (up to 2 years as a construction loan and 15 years as permanent financing). The interest rate is proposed by the applicant. The applicant must demonstrate in their application that the interest rate proposed is necessary in order to make the HOME-assisted units affordable. The HOME loan must be fully secured. .
IHFA will subordinate to the point when the HOME loan plus other financing is at an amount not to exceed 100% of the costs of construction. Subordination beyond one hundred percent (100%) will be entertained on a case-by-case basis.

   IHFA will subordinate to the point when the HOME loan plus other financing is at an amount not to exceed 100% of the cost of construction. Subordination beyond one hundred percent (100%) will be entertained on a case-by-case basis.

Eligible Activities
HOME funds are available statewide for the development of permanent supportive or transitional housing. Otherwise, applications for Developments located within the following participating jurisdictions are not eligible for HOME funds.

Anderson	Gary	St. Joseph County Consortium
Bloomington	Hammond	Terre Haute
East Chicago	Indianapolis*	Tippecanoe County Consortium
Evansville	Lake County	
Fort Wayne	Muncie	

* The Cities of Beech Grove, Lawrence, Speedway, Southport, and the part of the Town of Cumberland located within Hancock County are not considered part of the Indianapolis participating jurisdiction. Applicants that serve these areas would be eligible for CHDO Works funding.

HOME funds may be used for acquisition, construction or rehabilitation hard costs, and testing for lead hazards for HOME-assisted units. HOME funds may not be used toward the refinancing of existing permanent debt.

HOME funds may assist rental, permanent supportive, or transitional housing. These units can be in the form of traditional apartments or single-room-occupancy units (SROs). SRO housing consists of single room dwelling units that are the primary residence of the occupant(s). If the Development consists of conversion of non-residential space or reconstruction, SRO units must contain either kitchen or bathroom facilities (they may contain both). For Developments involving acquisition or rehabilitation of an existing residential structure, neither kitchen nor bathroom facilities are required to be in the unit. However, if individual units do not contain bathroom facilities, the building must contain bathroom facilities that are shared by tenants.

HOME funds are generally not available for units identified as part of an approved RHTC or Bond lease-purchase program, unless the purchase will occur after the termination of the HOME affordability period. In such case, the assisted units will be considered rental for purposes of the HOME award. Prior to the HOME affordability period expiration, IHFA will consider requests to permit tenants to purchase HOME-assisted rental units on a case-by-case basis only.

Scoring Criteria

There are no scoring criteria for RHTC/Bond/HOME awards. Eligibility for the HOME funds will be determined based on:

1. Whether the development demonstrates a need for HOME funds in order to make a greater number of rental units affordable to lower income households.
2. Whether the development meets State and Federal requirements of all programs for which it is applying.
3. If the development ranking is sufficient for it to be awarded RHTCs pursuant to the RHTC or Bond process.
4. The availability of HOME funds.

Funds will be awarded only in amounts appropriate to the scope of the identified need. IHFA reserves the right to determine the exact amount and type of assistance needed for each individual housing activity.

Funding Limitations

The maximum HOME request is $500,000**.**

HOME-Assisted Units	AMI	Maximum Funding
100 %	< or = 60 % *	$300,000
75 %	< or = 50 %	$400,000
50 %	< or = 40 %	$500,000

IHFA has established a per unit subsidy limitation for HOME-assisted units of $35,000 for 0-bedroom units, $40,000 for 1- and 2-bedroom units, and $50,000 for units with 3 or more bedrooms.

HOME Administrative Subrecipients

IHFA staff generally oversees the implementation of the HOME program; however, IHFA reserves the right to initiate subrecipient agreements with not-for-profit organizations or public agencies for specific HOME administrative activities. These subrecipient agreements will be made available throughout the year upon approval of the activity by the IHFA Board of Directors.

Eligible Applicants

- Not-for-profit corporations, as designated under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code
- Public agencies

Eligible Activities

- Only those activities allowed under the HOME regulations (24 CFR 92.207) are eligible for funding with IHFA's HOME administration funds.
- HOME subrecipient activities must comply with the requirements of 24 CFR 84 (a.k.a. OMB Circular A-110) "Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Not-for-profit Organizations."
- In general, IHFA looks for proposals that have a statewide impact and serve to further the Authority's efforts in one or more of the following areas:
  - General management, oversight, and coordination of the HOME program
  - Providing public information to residents and citizen organizations participating in the planning, implementation, or assessment of housing activities being assisted with HOME funds
  - Affirmatively furthering fair housing
  - Compiling data in preparation for the State Consolidated Plan
  - Complying with other Federal requirements such as affirmative marketing; minority outreach; environmental review; displacement, relocation, and acquisition; labor standards; lead-based paint; and conflicts of interest.

Scoring Criteria

There are no scoring criteria for HOME Administrative Subrecipient awards. Eligibility for these funds will be determined based on:

1. Whether proposed activities have a statewide impact.
2. Whether the proposal demonstrates a need for HOME funds.
3. Whether proposed activities meet the HOME regulatory requirements of an administrative subrecipient.
4. Whether proposed activities serve to further IHFA staff efforts.
5. The availability of HOME administrative funds.

Funding Limitations

As allowed by HOME regulations (24 CFR 92.207), IHFA may expend up to 10% of the annual allocation for payment of reasonable administrative and planning costs of the HOME program.

INTR City

IHFA is developing a pilot program called Improving Neighborhoods Through Revitalization (INTR City). The program will provide funding for strategic planning and the redevelopment of vacant lots in blighted neighborhoods into single-family homes.

Homeownership Counseling

IHFA is developing a program for homeownership counseling. The program will provide funding for homeownership education and counseling on a statewide basis.

HOME OOR

IHFA is developing a program for rehabilitation of owner-occupied homes using HOME funds. The program will provide funding for owner-occupied rehabilitation on a statewide basis.

First Home/Plus

Difficulty in coming up with cash for a down payment is often the biggest obstacle for first-time homebuyers. Subsequently, IHFA has developed the First Home/Plus program, through which IHFA links HOME/ADDI funds in the form of down payment assistance with its Mortgage Revenue Bond (MRB) program.

Eligible Applicants

The borrower must meet the following eligibility requirements:

1. Must be a first-time homebuyer (i.e. has not, at any time during the three years preceding the date of loan closing had an ownership interest in his/her principal residence), unless the buyer is purchasing a home located in a targeted area as published in IHFA's First Home/Plus Program Guide.
2. Must be income-eligible as published in IHFA's First Home/Plus Program Guide.
3. If a borrower is separated from their spouse, a legal separation agreement or a petition for the dissolution is required prior to preliminary approval.
4. Must reasonably expect to reside in the property as his/her principal residence within 60 days after the loan closing date on existing homes and within 60 days of completion for a newly constructed home.
5. Must currently be or intend to become a resident of the State of Indiana.
6. Must successfully complete a homeownership training program.

Eligible Activities

Income-eligible homebuyers can receive up to 10% of the home purchase price in down payment assistance in conjunction with a below-market interest rate mortgage through IHFA. The First Home/Plus program is operated through a partnership between IHFA and participating local lending institutions throughout Indiana. HOME/ADDI down payment assistance is provided as a 0%, forgivable second mortgage. If the buyer resides in the property for five years, the second mortgage is forgiven. For the purchase of an existing home, for three months prior to the sale, the home must have been vacant, occupied by the seller, or rented to the household that is buying the home.

Funds are allocated on a first-come, first-served basis. Interested borrowers must contact a participating lender to apply for the program. Borrowers are encouraged to contact a participating lender for loan "pre-approval" before they begin looking for a house.

Borrowers must successfully complete a homeownership training program. The participating lender may choose the type of training the borrower receives; however, IHFA strongly recommends a face to face or classroom course given by a HUD approved counselor. A certificate of completion or achievement is required in the loan application package.

Funding Limitations

Depending upon their income, borrowers receive HOME/ADDI funded down payment assistance of 5% or 10% (capped at $3,500 and $7,000, respectively) of the sales price or the appraised value of the property, whichever is less. Acquisition cost of the home may not exceed the lesser of the maximum as set forth in IHFA's First Home/Plus Program Guide or FHA 203(b) Mortgage Limits as published periodically by HUD.

First Home/One Down

IHFA and Fannie Mae jointly offers the First Home/One Down program, which allows qualified first-time home buyers to obtain mortgages with an investment as little as 1%. The loans are offered through IHFA and its statewide network of participating lenders. In many ways, the First Home/One Down program is operated in the same manner as IHFA's First Home/Plus program, as described in the previous section. Differences between the two programs are highlighted below.

IHFA/Fannie Mae's First Home/One Down program offers homebuyers affordable conventional financing. The qualified homebuyer obtains a first mortgage at a below market interest rate. HOME/ADDI down payment assistance of 5% or 10% (capped at $3,500 and $7,000, respectively), depending upon the buyer's income, is provided in the form of a 0% forgivable second mortgage.

Borrowers must have at least 1% of their own funds invested in the transaction. Sellers may pay up to 3% of the sales price in closing cost. The normal Fannie Mae requirement of having cash reserves left in the bank after closing equal to two months mortgage payments is waived. Pre- and post-purchasing counseling are requirements of the program.

First Home INTR City

A new version of IHFA's mortgage program would be encouraged for all eligible homebuyers purchasing homes financed with INTR City funds. The program will also be available for all other eligible homebuyers purchasing within certain areas. HOME/ADDI down payment assistance would also be available to eligible borrowers under the terms of our current programs.

First Home 100

The First Home 100 program combines IHFA's First Home program and Rural Development's Direct Loans to stretch resources and reach a broader number of eligible borrowers. It is available in areas that are served by Rural Development. Hoosiers can apply for the program through Rural Development offices.

IHFA and Rural Development have combined their income and purchase price limits to make it simpler to determine eligibility for the program. Under First Home 100, an eligible borrower would receive two mortgages, one from IHFA's First Home program, with a below market interest rate, and one from Rural Development, with an interest rate based on the applicant's ability to pay. In some cases, a borrower may also qualify for IHFA's HOME/ADDI funded down payment assistance, which would result in a forgivable third mortgage to further reduce the borrower's monthly payments.

While IHFA's First Home programs are primarily restricted to first-time homebuyers, this requirement is waived in 30 rural Indiana counties that are designated as targeted areas by the U.S. Department of Housing and Urban Development. These areas largely coincide with the areas served by Rural Development.

HomeChoice

The HomeChoice program was created by Fannie Mae to provide affordable housing for low- to moderate-income individuals who are disabled or who have disabled dependents living with them. Fannie Mae has approved Indiana's HomeChoice Program, and a public announcement was made on January 24, 2001. The availability of this program in Indiana is the result of a team effort among IHFA, Fannie Mae, the Back Home in Indiana Alliance, and Irwin Mortgage. The program is tailored to meet the unique needs of people with disabilities by offering lower down payment requirements; flexible qualifying and underwriting standards; and use of non-traditional credit histories.

To be eligible for the HomeChoice, program applicants must meet certain requirements. Borrowers must be classified as disabled as established in the Americans with Disabilities Act of 1990 or be defined as handicapped by the Fair Housing Amendments of Act of 1988. Also, borrowers must be low- or moderate-income as defined by the U.S. Department of Housing and Urban Development (HUD), which varies by county. In addition, the borrower must occupy the home within 60 days of the loan's closing or completion.

Initially, HomeChoice was offered in three counties: Bartholomew, Knox, and Marion, and is now being offered in all counties of the state. IHFA has earmarked $1 million in revenues from its non-taxable mortgage revenue bonds (MRBs) to finance the first mortgages. Additionally, borrowers receive HOME/ADDI funded down payment assistance of 10% of the sales price or the appraised value of the property, whichever is less. Bank One currently originates the mortgages, and the Back Home in Indiana Alliance markets, screens applicants, and coordinates counseling for the program

First Home Community

This loan is offered through IHFA and its statewide network of participating lenders. In many ways, the First Home Community program is operated in the same manner as IHFA's First Home/Plus program. The difference is that First Home Community is a partnership program with Fannie Mae that enables Teachers, Fire Fighters, Law Enforcement, State and Municipal workers to purchase a home with as little as one percent of the purchase price, or $500, which ever is less, of their own funds. The program allows for higher loan-to-value options, lower out of pocket costs and more flexible underwriting criteria.

HOME/ADDI down payment assistance of 5% or 10% (capped at $3,500 and $7,000, respectively), depending upon the buyer's income, is provided in the form of a 0% forgivable second mortgage.

First Home Opportunity

This loan is offered through IHFA and its statewide network of participating lenders. In many ways, the First Home Opportunity program is operated in the same manner as IHFA's First Home/Plus program. The difference is that First Home Opportunity is a partnership program with Fannie Mae that enables qualified homebuyers the ability to purchase a home with as little as one percent of the purchase price, or $500, which ever is less, of their own funds. The program allows for higher loan-to-value options, lower out of pocket costs and more flexible underwriting criteria.

HOME/ADDI down payment assistance of 5% or 10% (capped at $3,500 and $7,000, respectively), depending upon the buyer's income, is provided in the form of a 0% forgivable second mortgage.

HOME Investment Partnerships Program – Funds Transfer

IHFA, at its discretion, may authorize HUD to transfer a portion of the State's allocation of HOME Investment Partnerships Program funds to qualifying communities to meet a $500,000 threshold funding level.

HOME Investment Partnerships Program - Resale/Recapture Guidelines

In accordance with the HOME Investment Partnerships Program, 24 CFR Part 92.254(a)(4), the State of Indiana is establishing policy guidelines to ensure affordability for low-income homebuyers. Because of the diversity of program designs throughout the State, recapture provisions will be appropriate for some housing activity designs and resale provisions will be appropriate for others.

Affordability Periods

HOME-assisted housing must meet the affordability requirements listed below, beginning after project completion. Project completion, as defined by HUD, means that:

- all necessary title transfer requirements and construction work have been performed;
- the project complies with the HOME requirements, including the property meets the stricter of the Indiana State Building Code and/or local rehabilitation standards;
- the final drawdown has been disbursed for the project; and
- the project completion information has been entered into HUD's IDIS system.

Homeownership Assistance HOME amount per unit	Minimum period of affordability
under $15,000	5 years
$15,000 - $40,000	10 years
over $40,000	15 years

Termination of Affordability Period

The affordability restrictions may terminate upon occurrence of any of the following termination events: foreclosure, transfer in lieu of foreclosure, or assignment of an FHA insured mortgage to HUD. The housing provider of HOME funds may use purchase options, rights of first refusal, or other preemptive rights to purchase the housing before foreclosure to preserve affordability. The affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the termination event, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the development.

Resale Guidelines

Where the program design calls for no recapture (home received only a development subsidy), the guidelines for resale will be adopted in lieu of recapture guidelines. Resale restrictions will require the seller to sell the property only to a low-income family that will use the property as their principal residence. The term "low-income family" shall mean a family whose gross annual income does not exceed 80% of the median family income for the geographic area as published annually by HUD.

The purchasing family should pay no more than 29% of its gross family income towards the principal, interest, taxes, and insurance for the property on a monthly basis. Individual recipients may, however, establish guidelines that better reflect their mission and clientele. Such guidelines should be described in the application, program guidelines, or award agreement. The housing shall remain affordable to a reasonable range of low-income buyers for the period described in the HOME regulations, as from time to time may be amended.

The homeowner selling the property will be allowed to receive a fair return on investment, which will include the homeowner's investment and any capital improvements made to the property.

Recapture Guidelines

The maximum amount of HOME funds subject to recapture is based on the amount of HOME assistance that enabled the homebuyer to buy or lease the dwelling unit. This includes any HOME assistance that reduced the purchase price from the fair market value to an affordable price, but excludes the amount between the cost of producing the unit and the market value (i.e., development subsidy).

The amount to be recaptured is based on a prorata shared net sale proceeds calculation. If there are no proceeds, there is no recapture. Any net sale proceeds that exist would be shared between the recipient and the beneficiary based on the number of years of the affordability period that have been fulfilled, not to exceed the original HOME investment.

The net proceeds are the total sales price minus all loan and/or lien repayments. The net proceeds will be split between the IHFA recipient and borrower as outlined according to the forgiveness schedule below for the affordability period associated with the property. The IHFA recipient must then repay IHFA the recaptured funds.

5 Year Affordability Period

Number of Years Fulfilled	% of HOME Funds Recaptured
Year 1	80%
Year 2	60%
Year 3	40%
Year 4	20%
Year 5	0%

10 Year Affordability Period

Number of Years Fulfilled	% of HOME Funds Recaptured
Year 1	90%
Year 2	80%
Year 3	70%
Year 4	60%
Year 5	50%
Year 6	40%
Year 7	30%
Year 8	20%
Year 9	10%

Year 10	0%

15 Year Affordability Period

Number of Years Fulfilled	% of HOME Funds Recaptured
Year 1	93%
Year 2	87%
Year 3	80%
Year 4	73%
Year 5	67%
Year 6	60%
Year 7	53%
Year 8	47%
Year 9	40%
Year 10	33%
Year 11	27%
Year 12	20%
Year 13	13%
Year 14	7%
Year 15	0%

Property Disposition

In situations in which units assisted by IHFA are not brought to completion or fail to meet their affordability commitment, IHFA may acquire these properties or assist other organizations in acquiring. Properties IHFA purchases would then be available for sale through a disposition program outside of the typical funding rounds on an as needed basis.

The disposition goals include:

- Selling assisted units quickly.
- Ensuring that all applicable HOME or CDBG requirements/regulations are met.

IHFA would negotiate the final terms of any and all contracts or agreements with buyers selected to successfully meet the needs of IHFA.

In situations in which an activity has been completed, IHFA may choose to seek a waiver from HUD for the use of additional HOME funds in the development.

Indiana Housing Finance Authority
2004 Proposed CDBG, HOME, and ADDI Allocations

Community Development Block Grant (CDBG)	Proposed PY 02		Awards During PY 02 7/1/02 - 6/30/03		Proposed PY 03		Awards During PY 03 7/1/03 - 2/29/04		Proposed PY 04	
Foundations	**$500,000**	**10%**	**$495,000**	**7%**	**$500,000**	**10%**	**$490,000**	**12%**	**$500,000**	**10%**
-Housing Needs Assessments	$350,000	7%	$395,000	6%	$400,000	8%	$400,000	9%	$400,000	8%
-Site-Specific Feasibility Studies	$150,000	3%	$100,000	1%	$100,000	2%	$90,000	2%	$100,000	2%
Housing from Shelters to Homeownership	**$4,500,000**	**90%**	**$6,273,627**	**93%**	**$4,500,000**	**90%**	**$3,755,000**	**88%**	**$4,500,000**	**90%**
-Emergency Shelters [1]	$500,000	10%	$109,102	2%	$500,000	10%	$500,000	12%	$500,000	10%
-Youth Shelters [1]	$500,000	10%	$0	0%	$400,000	8%	$200,000	5%	$300,000	6%
-Transitional Housing [1]	$500,000	10%	$0	0%	$400,000	8%	$0	0%	$400,000	8%
-Migrant/Seasonal Farmworker Housing	$500,000	10%	$1,287,900	19%	$500,000	10%	$0	0%	$300,000	6%
-Permanent Supportive Housing [1]	NA		NA		NA		NA		$300,000	6%
-Rental Housing	$600,000	12%	$496,625	7%	$500,000	10%	$355,000	8%	$300,000	6%
-Owner-Occupied Units	$1,900,000	38%	$4,380,000	65%	$2,200,000	44%	$2,700,000	64%	$2,200,000	44%
-Voluntary Acquisition/Demolition	NA		NA		NA		NA		$200,000	4%
Total [2]	**$5,000,000**	**100%**	**$6,768,627**	**100%**	**$5,000,000**	**100%**	**$4,245,000**	**100%**	**$5,000,000**	**100%**

HOME Investment Partnerships Program (HOME)	Proposed PY 02		Awards During PY 02		Proposed PY 03		Awards During PY 03		Proposed PY 04	
Foundations	**$500,000**	**3%**	**$292,800**	**2%**	**$500,000**	**3%**	**$202,700**	**2%**	**$400,000**	**2%**
-CHDO Predevelopment Loans	$300,000	2%	$211,900	1%	$350,000	2%	$141,700	1%	$300,000	2%
-CHDO Seed Money Loans	$200,000	1%	$80,900	0%	$150,000	1%	$61,000	0%	$100,000	1%
Housing from Shelters to Homeownership	**$9,642,300**	**59%**	**$10,906,028**	**58%**	**$7,836,870**	**47%**	**$9,186,985**	**72%**	**$6,400,000**	**38%**
-Transitional Housing [1]	$1,000,000	6%	$2,428,500	13%	$1,400,000	8%	$498,000	4%	$500,000	3%
-Permanent Supportive Housing [1]	NA		NA		NA		NA		$500,000	3%
-Rental Housing	$2,500,000	15%	$2,684,705	14%	$1,900,000	11%	$5,319,650	42%	$3,700,000	22%
-Homebuyer Units	$2,142,300	13%	$3,673,677	20%	$2,000,000	12%	$1,296,922	10%	$1,700,000	10%
-Owner-Occupied Units	$2,000,000	12%	$782,000	4%	$800,000	5%	$0	0%	NA	
-Homeownership Counseling/Downpayment Assistance	$2,000,000	12%	$1,337,146	7%	$1,736,870	10%	$2,072,413	16%	NA	
HOME/RHTC/Bond	**$4,000,000**	**24%**	**$962,112**	**5%**	**$2,400,000**	**14%**	**$900,000**	**7%**	**$2,400,000**	**14%**
-Transitional Housing [1]	$1,000,000	6%	$0	0%	$400,000	2%	$0	0%	$500,000	3%
-Permanent Supportive Housing [1]	NA		NA		$400,000	2%	$0	0%	$500,000	3%
-Rental Housing	$3,000,000	18%	$962,112	5%	$1,600,000	10%	$900,000	7%	$1,400,000	8%
CHDO Works - CHDO Operating Grants	**$660,000**	**4%**	**$719,360**	**4%**	**$669,000**	**4%**	**$180,000**	**1%**	**$670,765**	**4%**
First Home Downpayment Assistance Programs[3]	**$0**	**0%**	**$4,627,913**	**25%**	**$3,500,000**	**21%**	**$1,082,972**	**8%**	**$1,500,000**	**9%**
INTR City Program	NA		NA		NA		NA		**$500,000**	**3%**
Homeownership Counseling	NA		NA		NA		NA		**$1,000,000**	**6%**
HOME Owner-Occupied Rehabilitation Program	NA		NA		NA		NA		**$2,221,488**	**13%**
Administration [4]	**$1,644,700**	**10%**	**$1,136,447**	**6%**	**$1,656,208**	**10%**	**$1,229,097**	**10%**	**$1,676,917**	**10%**
-IHFA Administrative Expenses and Professional Contracts			$792,822	4%			$1,033,547	8%		
-Administrative Subrecipient Agreements			$343,625	2%			$195,550	2%		
-Homeownership Counseling			NA				NA			
Total [2]	**$16,447,000**	**100%**	**$18,644,660**	**100%**	**$16,562,078**	**100%**	**$12,781,754**	**100%**	**$16,769,170**	**100%**

American Dream Down Payment Assistance (ADDI)	Proposed PY 02		Awards During PY 02		Proposed PY 03		Awards During PY 03		Proposed PY 04	
First Home Downpayment Assistance Programs[3]	NA		NA		**$943,118**	**100%**	**$0**	**0%**	**$948,380**	**100%**

Notes:

[1] Emergency shelters, youth shelters, transitional, and permanent supportive housing funding goals - $2.5 million for calendar years 1994-1999, $3 million for calendar year 2000-2001, $3.5 million beginning in calendar year 2002.

[2] Total amount awarded may differ from amount available due to deobligations and reallocations of prior year funding.

[3] Award column includes houses funded with HOME Program Income. Data reflects closing date.

[4] Proposed amount includes total admin for IHFA, grantees, subrecipients, & other professional administrative contracts. Award column excludes grantee admin funds.

ESG Allocation Plan

EMERGENCY SHELTER GRANT 2004-2005

NAME	Allocation	
ADAMS WELLS CO. CRISIS SHELTER	$	10,224.00
AIDS MINISTRIES	$	16,795
ALBION FELLOW BACON	$	10,224
ALTERNATIVES	$	35,224
ANCHOR HOUSE, INC.	$	15,224
ARCHDIOCESE OF INDPLS, ST. ELIZABETH	$	29,249
CATHOLIC SOCIAL SERVICE OF CENTRAL IN	$	29,613
CENTER FOR WOMEN AND FAMILY	$	25,224
*CHILDREN'S BUREAU	$	10,224
CHRISTIAN COMM ACTION OF PORTER CO	$	15,224
CHRISTIAN LOVE HELP CENTER	$	13,359
COBURN PLACE	$	10,424
COLUMBUS REG SHEL 4 WOMEN (TURNING P	$	10,224
COMMUNITY & FAMILY SERVICES, INC.	$	14,224
COMMUNITY ACTION PORTER-EVAN & VAND CO	$	34,322
COMMUNITY ANTI-VIOLENCE ALLIANCE	$	10,224
COMMUNITY SERVICE CENTER - MORGAN CO	$	40,224
COUNCIL ON DOMESTIC ABUSE	$	10,224
CRISIS CENTER/A YOUTH SVICE BUREAU	$	10,224
CRISIS CONNECTION	$	14,724
DAYSPRINGS CENTER	$	26,199
DISMAS INC.	$	17,148
ECHO HOUSE CORP	$	28,624
***ELIJAH HAVEN CRISIS**	$	10,224
EVANSVILLE GOODWILL INDUSTRIES	$	24,415
FAM. CRISIS SHELTER OF MONTGOM CO	$	10,724
FAMILY SERVICE SOCIETY (HANDS OF HOPE	$	25,020
FAMILY SERVICES OF DELAWARE COUNTY	$	22,224
FAMILY SERVICES OF ELKHART COUNTY	$	20,055
***FAMILY SERVICES ASSOC. OF HOWARD CO.**	$	10,224
FORT WAYNE WOMEN'S BUREAU	$	16,724
GARY COMM ON THE STAT OF WOM/ARK	$	28,224
GENESIS OUTREACH, INC	$	15,124
GENESIS PLACE, INC.	$	25,608
GENNESARET FREE CLINIC	$	14,324
GOSHEN INTERFAITH HOSP NETWORK	$	26,457
HANCOCK HOPE HOUSE	$	29,153
HAVEN HOUSE SERVICES	$	39,724
HAVEN HOUSE, INC.	$	10,224
HEART HOUSE, INC.	$	14,224
HOPE HOUSE INC.	$	14,224
HORIZON HOUSE, INC	$	39,859

HOUSE OF BREAD AND PEACE	**$**	**12,224**
*HOUSE OF HOPE - MADISON COUNTY	**$**	**18,224**
HOUSING AUTHORITY OF GREENCASTLE	**$**	**19,183**
HOUSING OPPORTUNITY	**$**	**12,224**
HUMAN SERVICES	**$**	**33,359**
INDIANAPOLIS INTERFAITH HOSPITALITY	**$**	**12,224**
*INTERFAITH HOSPITALITY OF FT. WAYNE	**$**	**16,224**
INTERFAITH MISSION, INC.	**$**	**15,024**
KNOX.CTY.DV.	**$**	**10,224**
KOS.CTY.SHEL.ABUSE	**$**	**29,977**
LAFAYETTE TRANSITION HOUSING CENTER	**$**	**40,224**
LAFAYETTE URBAN MINISTRIES	**$**	**25,359**
LIFE CHOICE, INC.	**$**	**19,356**
LIFE TREATMENT	**$**	**27,374**
MARGARET ALEXANDER C.H.I.L.D. CENTER	**$**	**13,359**
MARION HOME FOUNDATION	**$**	**19,224**
*MARTHA'S HOUSE	**$**	**12,224**
MIDDLE WAY HOUSE	**$**	**15,908**
NOBLE HOUSE	**$**	**17,024**
NORTH CENTRAL IND. RURAL	**$**	**10,224**
OPEN DOOR COMMUNITY SERVICES,INC	**$**	**40,224**
*OZANAM FAMILY SHELTER	**$**	**14,359**
PRISONER & COMMUNITY TOGETHER	**$**	**10,224**
*PROJECT HELP OF STEUBEN CO.	**$**	**12,224**
PROJ STEPPING STONE OF MUNCIE	**$**	**11,224**
PROVIDENCE SELF SUFF. MINISTRIES, INC	**$**	**11,224**
QUEST FOR EXCELLENCE	**$**	**17,157**
RICHMOND/WAYNE CO. HALFWAY HOUSE	**$**	**13,224**
ROOSEVELT MISSION, INC.	**$**	**25,657**
SAFE PASSAGE	**$**	**10,224**
SALVATION ARMY - RUTH LILLY SOCIAL SE	**$**	**24,320**
*** SHELTERING WINGS**	**$**	**10,224**
ST. JUDE, INC.	**$**	**10,224**
STEPPING STONE 4 VET. INC.	**$**	**14,924**
STEPPING STONE SHELTER 4 WOMEN	**$**	**10,424**
THE CARING PLACE	**$**	**19,724**
THE CENTER FOR THE HOMELESS	**$**	**37,633**
THE JULIAN CENTER	**$**	**30,224**
THE MENTAL HEALTH ASSOCIATION	**$**	**30,219**
THE SALVATION ARMY EVANSVILLE	**$**	**21,151**
THE SALVATION ARMY HARBOR LIGHT	**$**	**29,401**
THE SALVATION ARMY KOKOMO	**$**	**14,224**
THE SALVATION ARMY LAFAYETTE	**$**	**14,374**
THE UNITED CARING SHELTER	**$**	**21,224**

*TURNING POINT OF STEUBEN CO.	$	12,224
TWIN OAKS HOUSING CORPORATION	$	15,224
VINCENT HOUSE	$	17,724
YOUTH SERVICE BUREAU OF ST. JOSEPH	$	11,475
YWCA EVANSVILLE	$	10,224
YWCA FT. WAYNE	$	10,224
YWCA GREATER LAFAYETTE	$	10,224
YWCA RICHMOND	$	11,224
YWCA ST. JOE.	$	10,423

Bold - DV Facilities
*NEW FACILITIES

Total from HUD: $1,847,372

Administration 5% of the total grant from HUD **$92,368.00**
Equals = **$1,755,004.00**

95 Shelters each received $224.00 extra from IDIS left over from 2002 **$21,280**

GRAND TOTAL **$1,766,284**

Exhibit 1

ESG PERFORMANCE REPORT

Grantee Cumulative Report - For the Month of _______Yr___

Agency Legal Name:	**Phone:**
Contact Name:	**e-mail:**
Contract No. **Address:**	

Instructions: Grantee shall submit a cumulative report every month and add to the past month's information and statistics. By the 12th month, of each fiscal year period, the goal percentage that was chosen by the facility has to be met.

1) Circle the categories that were chosen for the performance based objectives?

Case management   Homeless Prevention/Outreach   Operations

2) How many clients have you served this month? How many continuing?

New: _____Families _____Children _____Individuals
Continuing: _____Families _____Children _____Individuals

3) State the Objective, Progress and Percentage you have made toward each goal. State how your agency delivered the services to meet your expected outcomes.

- **Objective 1:** ______________________________

Progress &Percentage: ______________________________

- **Objective 2:** ______________________________

Progress & Percentage: ______________________________

- **Objective 3:** ____

____

Progress & Percentage: ____

____

____

____

_______________________________________ ____________

Agency Signature Date:

This report is to be submitted by the 10th of each month, beginning on August 10, 2004 and ending with July 10, 2006

Please mail, fax or e-mail this report to:

Lori Dimick, Emergency Shelter Grant Specialist
Housing and Community Services
402 West Washington Street, Room W-361
PO Box 6116 - MS01
Indianapolis, IN 46206-6116
Fax: 317-232-7079
Ldimick@fssa.state.in.us
(317) 232-7117

HOPWA Allocation Plan

Program Description and Allocation Plan

Program Year 2004

Housing Opportunities for Persons with AIDS (HOPWA)

For additional information, visit us on the Internet at www.indianahousing.org or contact the following:

HOPWA Coordinator
Indiana Housing Finance Authority
30 South Meridian, Suite 1000
Indianapolis, IN 46204
(317) 232-7777 or toll-free (800) 872-0371
lcoffman@ihfa.state.in.us

The HOPWA program is a federally funded program governed by 24 CFR Part 574 through the United States Department of Housing and Urban Development (HUD). The HOPWA program provides housing assistance and related supportive services for low-income persons with HIV/AIDS and their families. The Indiana Housing Finance Authority (IHFA) is the grantee for HOPWA for the State of Indiana (excluding the following counties Boone, Brown, Clark, Dearborn, Floyd, Franklin, Hamilton, Hancock, Harrison, Hendricks, Johnson, Marion, Morgan, Ohio, Putnam, Scott, Shelby and Washington).

For Fiscal Year 2004, the State of Indiana will have $2,044,104 in HOPWA funding. The state will receive $836,000 in Formula HOPWA funding. There is $810,920 available to allocate. In addition, the state will also receive a one-time allocation of $1,134,586 in previously unexpended HOPWA funds. The state also has $73,518 in unobligated HOPWA funds resulting in a total of $1,171,860 in supplemental funding to allocate.

Eligible Applicants

1. Non-profit organizations that:
   - Are organized under State or local laws;
   - Have no part of its net earnings inuring to the benefit of any member, founder, contributor or individual;
   - Have a functioning accounting system that is operated in accordance with generally accepted accounting principles, or had designated an entity that will maintain such an accounting system;
   - Have among its purposes significant activities related to providing services or housing to persons with acquired immunodeficiency syndrome (AIDS) or related diseases;
   - Can demonstrate integration, or the willingness to partner, with the existing HIV/AIDS Continuum of Care in the local region;
   - Are eligible to participate in HUD programs (not on HUD's debarred list).

2. Governmental Housing Agencies that:

- Are public housing authorities; or
- Are units of government chartered by the chief executive to provide housing activities within the political jurisdiction.

Method of Distribution – Forumla HOPWA Allocation

IHFA will allocate the Formula HOPWA funds through a competitive process. If an application satisfies all applicable requirements, it will be evaluated and scored based on:

Capacity	50
Activity*	50
Total Possible Points	100

* Applicants applying for more than one activity will complete a separate activity application for each eligible activity they are applying for. IHFA will total the scores of all activities applied and average them resulting in one final score for activity.

Notwithstanding the point ranking system set forth above, IHFA reserves the right allocate funds irrespective of its point ranking, if such intended allocation is (1) in compliance with the applicable statutes; (2) in furtherance of promoting affordable housing; and (3) determined by IHFA's Board of Directors to be in the interests of the citizens of the state of Indiana.

The 2004 Formula Application has been available since March 26, 2004. Applications are due to IHFA on or before April 23, 2004. Funding announcements are tentatively scheduled to be made at the May 20, 2004 meeting of IHFA's Board of Directors. This date is subject to change. Applicants will be informed of any changes.

HOPWA funds were assigned by using ISDH's most current epidemiological data (December 2003) showing the current number of reported HIV/AIDS cases in each county. The total number of cases per county was assigned a percentage in relation to the total number of reported HIV/AIDS cases in all of the counties served by the state EMSA. Each county received a corresponding percentage of HOPWA funds. We then added the totals up of all counties in a region resulting in the final total for each region.

In the event of multiple applications from a region, IHFA reserves the right and shall have the power to allocate less funds than requested in an application. In order to ensure statewide access to HOPWA funds, IHFA utilizes the Indiana State Department of Health (ISDH) HIV Care Coordination Regions. IHFA has assigned a maximum funding amount available in each of the eleven regions of the state served by the Indiana HOPWA funds.

HOPWA CARE COORDINATION REGIONS		
Care Coordination Region 1	Lake, LaPorte, Porter	$228,871
Care Coordination Region 2	Elkhart, Fulton, Marshall, Pulaski, St. Joseph, Starke	$110,959
Care Coordination Region 3	Adams, Allen, DeKalb, Huntington, Kosciuskso, LaGrange, Noble, Steuben, Wabash, Wells, Whitley	$103,451
Care Coordination Region 4	Benton, Carroll, Clinton, Fountain, Jasper, Montgomery, Newton, Tippecanoe, Warren, White	$38,377
Care Coordination Region 5	Blackford, Delaware, Grant, Jay, Randolph	$42,548
Care Coordination Region 6	Cass, Howard, Madison, Miami, Tipton	$57,982
Care Coordination Region 8	Clay, Parke, Sullivan, Vermillion, Vigo	$53,950
Care Coordination Region 9	Decatur, Fayette, Henry, Ripley, Rush, Union, Wayne	$28,087
Care Coordination Region 10	Bartholomew, Greene, Lawrence, Monroe, Owen	$55,062
Care Coordination Region 11	Crawford, Jackson, Jefferson, Jennings, Orange, Switzerland	$11,959
Care Coordination Region 12	Daviess, Dubois, Gibson, Knox, Martin, Perry, Pike, Posey, Spencer, Vanderburgh, Warrick	$79,674
	TOTAL	$810,920

Based on historical data, we estimate that the 2004 HOPWA funds will serve 634 households resulting in 464 receiving assistance with short-term rent, mortgage and utility assistance and 170 receiving tenant based rental assistance.

Eligible Activities – Formula HOPWA Allocation

- Housing Information
- Resource Identification
- Rental Assistance
- Rental Assistance Program Delivery
- Short-term Rent, Mortgage and Utility Assistance
- Short-term Rent, Mortgage and Utility Assistance Program Delivery
- Supportive Services
- Operating Costs
- Technical Assistance
- Administration

Method of Distribution – Supplemental HOPWA Funds

IHFA will allocate the Supplemental HOPWA funds through a competitive process. If an application satisfies all applicable requirements, it will be evaluated and scored based on:

Organizational Capacity	50
Activity Design*	<u>50</u>
Total Possible Points	100

* Applicants applying for more than one activity will complete a separate activity application for each eligible activity they are applying for. IHFA will total the scores of all activities applied and average them resulting in one final score for activity.

Applicants are encouraged to serve the entire region in which they are located. IHFA utilizes the Indiana State Department of Health Division of HIV/STD HIV Care Coordination Region.

HOPWA REGIONS	
Care Coordination Region 1	Lake, LaPorte, Porter
Care Coordination Region 2	Elkhart, Fulton, Marshall, Pulaski, St. Joseph, Starke
Care Coordination Region 3	Adams, Allen, DeKalb, Huntington, Kosciuskso, LaGrange, Noble, Steuben, Wabash, Wells, Whitley
Care Coordination Region 4	Benton, Carroll, Clinton, Fountain, Jasper, Montgomery, Newton, Tippecanoe, Warren, White
Care Coordination Region 5	Blackford, Delaware, Grant, Jay, Randolph
Care Coordination Region 6	Cass, Howard, Madison, Miami, Tipton
Care Coordination Region 8	Clay, Parke, Sullivan, Vermillion, Vigo
Care Coordination Region 9	Decatur, Fayette, Henry, Ripley, Rush, Union, Wayne
Care Coordination Region 10	Bartholomew, Greene, Lawrence, Monroe, Owen
Care Coordination Region 11	Crawford, Jackson, Jefferson, Jennings, Orange, Switzerland
Care Coordination Region 12	Daviess, Dubois, Gibson, Knox, Martin, Perry, Pike, Posey, Spencer, Vanderburgh, Warrick

Notwithstanding the point ranking system set forth above, IHFA reserves the right allocate funds irrespective of its point ranking, if such intended allocation is (1) in compliance with the applicable statutes; (2) in furtherance of promoting affordable housing; and (3) determined by IHFA's Board of Directors to be in the interests of the citizens of the state of Indiana.

Applications will be due to IHFA on June 4, 2004. Award announcements are tentatively scheduled to be made at the July 22, 2004 meeting of IHFA's Board of Directors. This date is subject to change. Applicants will be informed of any changes.

In the event that we are unable to allocate all of the HOPWA Supplemental funds, we would look to direct HOPWA resources on programming that addresses issues identified in the Indiana HIV/AIDS Housing Plan conducted by AIDS Housing of Washington for IHFA in 2002.

The five critical issues impacting affordable housing and supportive service delivery for people living with HIV/AIDS in Indiana are:

- Encouraging HIV/AIDS service providers to engage in statewide and local planning processes around affordable housing provision
- Affordability
- Barriers to achieving and maintaining housing stability
- Successful tenant-landlord relationships
- Access to community and support systems

Eligible Activities – Supplemental HOPWA Funds

- Acquisition, Rehabilitation, Conversion
- Housing Information
- New Construction
- Resource Identification
- Rental Assistance
- Rental Assistance Program Delivery
- Short-term Rent, Mortgage and Utility Assistance
- Short-term Rent, Mortgage and Utility Assistance Program Delivery
- Supportive Services
- Operating Costs
- Technical Assistance
- Administration

Indiana Housing Finance Authority

2004 Proposed HOPWA Allocation

Housing Opportunities for Persons with AIDS (HOPWA)

FY 2004 Formula Allocation	Awards During PY 03 7/1/03 - 2/28/04		Proposed PY 04		Estimated PY 04 Units [3]
Rental Assistance	$391,489	49%	$405,000	48%	170 households/units
Short-term Rent, Mortgage and Utility Assistance	$171,732	22%	$179,000	21%	464 households/units
Supportive Services	$126,738	16%	$130,000	16%	295 households
Housing Information	$27,900	4%	$30,700	4%	63 households
Project Sponsor Administration [1]	$43,042	5%	$58,520	7%	N/A
Resource Identification	$500	0%	$700	0%	N/A
Operating Costs	$6,728	1%	$7,000	1%	5 units
Technical Assistance	$0	0%	$0	0%	N/A
IHFA Administration [2]	$23,760	3%	$25,080	3%	N/A
Total	**$791,889**	100%	**$836,000**	100%	**992 households** **639 HOPWA-assisted units**

Supplemental Allocation [5]	Proposed Supplemental HOPWA Allocation [6]		Estimated Supplemental Units [3]
Acquistion, Rehabilitation, Conversion and New Construction [4]	$86,293	7%	2 units
Rental Assistance	$127,257	11%	53 households/units
Short-term Rent, Mortgage and Utility Assistance	$127,257	11%	330 households/units
Supportive Services	$289,945	24%	658 households
Housing Information	$229,540	19%	471 households
Project Sponsor Administration [1]	$82,030	7%	N/A
Resource Identification	$217,458	18%	N/A
Operating Costs	$12,081	1%	8 units
Technical Assistance	$0	0%	N/A
IHFA Administration [2]	$36,243	3%	N/A
Total	**$1,208,104**	100%	**1512 households** **393 HOPWA-assisted units**

Notes:

[1] HOPWA regulations allow project sponsors to use up to 7% of the allocation for administration.
[2] HOPWA regulations allow grantees to use up to 3% of the allocation for administration.
[3] The estimates are based on information from the 2003 CAPER and HOPWA Performance of Current Recipients through February 2004.
[4] IHFA has not previously allocated funds to acquisition, rehabilitation, conversion and new construction. We estimate that funding will result in a minimum of 2 units.
[5] This amount includes $1,134,586.00 in supplemental HOPWA funds from HUD and $73,518.00 in deobligated HOPWA funds by IHFA
[6] This is the first year of allocating supplemental HOPWA funds. The estimates are based on summaries of public comments that IHFA received regarding the allocation of supplemental HOPWA funding.